United States Department of Health & Human Services

HHS Real Property Asset Management Plan

December 29, 2005

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MESSAGE FROM THE SENIOR REAL PROPERTY OFFICER

I am pleased to present the Department of Health and Human Services (HHS) Real Property Asset Management Plan for FY 2006. This plan is the result of a highly collaborative effort within HHS and represents a significant milestone as we move into full implementation of Federal Real Property Council performance measures, the HHS Automated Real Property Inventory System (ARIS), and new management processes. The plan is the result of the hard work of facilities personnel from across all HHS organizations and I thank them again for their contributions and professionalism.

The Department is the United States government's principal agency for protecting the health of all Americans, especially those who are least able to help themselves, by providing effective health and human services and by fostering strong, sustained advances in the sciences underlying medicine, public health, and social services. To strengthen real property support of this mission, HHS established the Office for Facilities Management and Policy (OFMP) in July of 2002. In the early fall of 2002, the Office developed a strategic framework and goals built around three guiding principles: efficient portfolio management; fostering mission success through occupant productivity and efficiency; and appropriate stewardship of HHS owned, leased or otherwise managed properties.

The issuance of Executive Order 13327, and the addition of Federal Real Property Asset Management to the President's Management Agenda in February 2004, reinforced the HHS real property strategic goals and framework for our 3,828 constructed assets. HHS Operating and Staff Divisions are working collaboratively with OFMP to achieve the strategic goals. Specialized teams of technical experts and managers are developing metrics and implementation methodologies, operating processes, capital investment and O&M budgetary needs, facility inventories, and long-term strategies. The schedule is aggressive and challenging, and is made even more so with the implementation of Most Efficient Organizations in several Operating Division facility staffs at the same time.

Our plan is much more than a scorecard deliverable. It is a strategy and roadmap to what we intend to achieve in Real Property Asset Management. It is a "living" document that we will update as the world around us changes. I am extremely proud of the progress we've made in improved facilities management since the formation of OFMP. I'm thankful to have been a part of it and I look forward to much more as we implement our plan.

Bill Stamper /S/
Deputy Assistant Secretary for Facilities Management and Policy

TABLE OF CONTENTS

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Section 1 Introduction

This is the Department of Health and Human Services (HHS) Real Property Asset Management Plan (RAMP), as required by Executive Order 13327, *Federal Real Property Asset Management*. The RAMP provides implementing guidance for the HHS Real Property Management Program (RPMP) and the Department's Automated Real Property Inventory System (ARIS).

The RAMP provides a roadmap for HHS to promote efficient and economical use of the federal real property resources required to support the Department's missions and strategic goals. It addresses the Department's strategy for implementing these goals through real property management improvement initiatives and strategic planning. The plan also documents how HHS ensures maximum use of its portfolio and identifies who is accountable for maintaining excellence in real property management.

The Department embraces the Federal Real Property Council's (FRPC) ten guiding principles applicable to federal real property asset management and has aligned HHS-specific asset management objectives and requirements with those principles that include:

Objective	Section
Support agency missions and strategic goals	Section 2.1
Use public and commercial benchmarks and best practices	Section 3
Employ life-cycle cost-benefit analysis	Sections 3; 3.4; 4.6
Promote full and appropriate utilization	Sections 3; 3.2; 4.4; 4.8.1; 5.1.1
Dispose of unneeded assets	Section 5
Provide appropriate levels of investment	Section 2.3
Accurately inventory and describe all assets	Section 4.1
Employ balanced performance measures	Section 4.4
Advance customer satisfaction	Sections 3.3.2; 3.3.4
Provide for safe, secure, and healthy workplaces	Sections 2.1.1; 3

This plan addresses the Council's template for agency asset management plans, which includes:

Council's Template	Section
Integrated Guiding Principles	Section 1; 2.2; 2.3; 3
Agency-Specific Owner's Objectives	Section 3.3.2; 4.8.2; 5.3.2
Periodic Evaluation of All Assets	Section 3.3.4; 4.4
Prioritized Operations and Maintenance & Capital Plans	Section 3.1; 3.1.1; 4.6
Identified Resource Requirements to Support Plans	Section 4.4; 4.5; 4.6; 4.7
"Building Block" Asset Management Building Blocks in Agency Portfolio Context	Section 2.4; 4.3
Continuous Monitoring and Feedback Mechanism	Section 3.3
Consideration of Socio-Economic-Environmental Responsibilities	Section 4.5.1
Adequate Human Capital Support of Asset Management Organization	Section 2.2
Common Government-wide Terminology	Section 4.1

In practice, these principles serve to support three primary purposes:

1. Efficient portfolio management,
2. Fostering mission success through occupant productivity and efficiency, and
3. Appropriate stewardship of HHS owned, leased or otherwise managed properties.

NIH Biomedical Research Laboratory Building 33

The section numbers following each of the Council's principles and template items above provide a cross reference with the Department's RAMP. With the RAMP as the foundation, HHS has implemented a cohesive, systematic and comprehensive approach for ensuring the appropriate management of the Department's 3,828 owned, leased and other wise managed real property holdings. HHS real property will be tracked in accordance with the Federal Real Property Council's mandatory inventory data elements (Attachment 1). In this regard, real property is defined as land, buildings, structures, utilities systems, and improvements and appurtenances thereto, permanently annexed to land that is owned, leased or otherwise managed by HHS. "Asset," "constructed asset," and "facility" are often used interchangeably and generally refer to buildings, structures, and other capital improvements to land (including roads and utilities).

Section 1 – *Introduction* provides an introduction and describes the approach and content of this plan.

Section 2 - *Support of Agency Missions and Strategic Goals* addresses the mission of HHS and its real property support in implementing its missions and strategic goals, its human capital and organizational structure, decision-making framework, and owner's objectives.

Section 3 – *Acquisition of Real Property Assets* describes how HHS plans for and acquires real property assets, develops its capital plan, identifies its prioritized acquisition list each fiscal year, measures the effectiveness of its acquisition results and identifies key initiatives to improve financial management and acquisition performance.

Section 4 – *Operations of Real Property Assets* describes how HHS operates its real property assets, addresses its inventory system, Operations and Maintenance Plans, Asset Management Building Blocks or "Building Block" Plans and periodic evaluation of assets. Additionally, operational measures are described, as are key initiatives that are underway to improve operational performance.

Section 5 – *Disposal of Unneeded Real Property* describes how HHS disposes of unneeded real property assets, measures the effectiveness of its redeployment actions and identifies key initiatives to improve the pace of disposition as well as its ability to dispose of difficult, environmentally challenged properties.

Section 2 Support of Agency Missions and Strategy Goals

Investment, operational, and disposal decisions with regard to agency real property assets need to be integrated with and supportive of core mission activities to effectively manage and optimize real property assets. To facilitate integrating real property asset management decisions with the agency mission requires two elements – a clear understanding of the agency's mission that drives the allocation and use of all available resources (human capital, physical capital, financial capital and technology/information capital) and an effective decision-making framework.

This section discusses the HHS mission, human capital, and decision-making framework.

2.1 Agency Mission

The Department of Health and Human Services is the United States government's principal agency for protecting the health of all Americans and providing essential human services, especially for those who are least able to help themselves. HHS enhances the lives of all Americans, whether it is in conducting biomedical research, preventing the outbreak of infectious disease, assuring food and drug safety, administering the Medicare and Medicaid programs, providing financial assistance to low-income families, or a myriad of other important health and human service programs. The Department's employees – our human capital – are a key to accomplishing essential health and human service programs. Mission accomplishment requires that we align both our human capital and our real property assets with the Department's strategic direction.

IHS Pawnee Housing

HHS is comprised of the following Operating Divisions (OPDIVs): Office of the Secretary (OS); Administration for Children and Families (ACF); Administration on Aging (AoA); Agency for Healthcare Research and Quality (AHRQ); Centers for Disease Control and Prevention (CDC); Centers for Medicare & Medicaid Services (CMS); Food and Drug Administration (FDA); Health Resources and Services Administration (HRSA); Indian Health Service (IHS); National Institutes of Health (NIH); and Substance Abuse and Mental Health Services Administration (SAMHSA) These HHS organizations with real property management responsibility perform, to varying degrees, day-to-day execution of the facilities management program, including master planning; facilities design, construction,

leasing, operations and maintenance, space utilization; and management programs (environmental management, historic preservation, energy management, and occupational safety and health). These organizations develop and implement internal procedures necessary to comply with Departmental policy and guidance including all statutory and regulatory requirements.

HHS includes more than 300 programs, covering a wide spectrum of activities and over 67,000 employees. Some highlights include:

- Medical and behavioral research
- Preventing disease, including immunization services.
- Assuring food and drug safety.
- Medicare (health insurance for elderly and disabled Americans) and Medicaid (health insurance for low-income people).
- Health information technology.
- Financial assistance and services for low-income families.
- Improving maternal and infant health.
- Head Start (pre-school education and services).
- Faith-based and community initiatives.
- Preventing child abuse and domestic violence.
- Substance abuse treatment and prevention.
- Services for older Americans, including home-delivered meals.
- Comprehensive health services for Native Americans.
- Medical preparedness for emergencies, including potential terrorism.

See Attachment 2 for The HHS Organization Chart and Regional Map.

FDA Jefferson Lab Complex

HHS ensures that its real property asset management is integrated with and enables its mission work through a culture known as "One HHS," by involving mission managers in capital investment decisions, and through an agency-wide recognition of the importance of the agency primary mission, through a Departmental Capital Investment Board comprised of Land-holding Operating Division leaders and HHS Assistant Secretaries for Budget, Finance, and Technology; Planning and Evaluation and Legislative Affairs and chaired by the Assistant Secretary for Administration and Management. This understanding pervades decision-making at every level.

The Department has established twenty "One HHS" Department-wide mission objectives:

1. Transform the Healthcare System
2. Strategically Manage Human Capital
3. Modernize Medicare and Medicaid
4. Complete the FY 2006 Competitive Sourcing Program
5. Advance Medical Research
6. Improve Financial Performance
7. Secure the Homeland
8. Expand Electronic Government
9. Protect Life, Family and Human Dignity
10. Improve Budget and Performance Integration
11. Improve the Human Condition Around the World
12. Implement the Real Property Asset Management Program
13. Broaden Health Insurance and Long-Term Care Coverage
14. Achieve Performance Accountability
15. Promote Quality, Relevance & Performance of Research and Development Activities
16. Improve Grants Management Operation and Oversight
17. Emphasize Faith Based and Community Solutions
18. Consolidate Management Functions and Streamline Administrative Operations
19. Emphasize Healthy Living and Prevention of Disease, Illness, and Disability
20. Eliminate Improper Payments

The HHS strategy includes the Secretary's 500-Day Plan.

2.1.1 Real Property Organization Mission

The Health and Human Services Office for Facilities Management and Policy (OFMP) provides Department-wide leadership and direction in master planning, facilities planning and design, construction, leasing, operations and maintenance, space utilization, and management programs (environmental management, historic preservation, energy management, and occupational safety and health) for approximately 3,828 constructed assets. These facilities support the missions of more than 300 HHS programs that cover a wide spectrum of activities and over 67,000 employees. Under provisions of the Public Health Service Act (42 U.S.C. §238), four of the OPDIVs - Centers for Disease Control and Prevention (CDC), Food and Drug Administration (FDA), Indian Health Service (IHS) and National Institutes of Health (NIH) have land-holding authority and own, lease or otherwise manage approximately 3,400 of the 3,828 HHS constructed assets. Functional statements and organizational charts for land-holding OPDIVs' facilities programs are attached (See Attachments 2 and 3).

OFMP provides technical assistance to the HHS Operating Divisions (OPDIVs) by evaluating the effectiveness of their facilities programs and policies and fostering creativity and innovation in the administration of these functions. OFMP serves as the HHS representative to other federal and non-federal agencies. The OFMP vision is that HHS facilities and management programs are delivered at peak effectiveness and through leadership, oversight, policy guidance, and training OFMP leads the Department to provide best value to the taxpayer in its functional areas.

OFMP will continually strive to deliver products and services better, faster, cheaper, safer and greener using consistent, efficient, and effective business processes that are applied across the Department. Using more consistent business processes will help us best apply our limited resources to meet the demands of a dynamic environment and share technical work across geographic boundaries.

All of OFMP's strategic goals address prudent asset management. These goals are as follows:

- Establish policies; guidelines; operating procedures; and lines of financial authority, delegation, and accountability; and provide Departmental oversight and integration for Operating Division/OFMP related activities to assure that HHS functions as "one Department" in the facilities area.
- Improve the Capital Planning/Program integration process.
- Reduce the cost of leasing and real property management.
- Reduce the cost of acquisition and ownership.
- Improve safety, security, maintainability, life cycle cost, health, and environmental impact by facilitating sustainable design and other best practices.
- Improve the physical environment and reduce operating cost of the Hubert H. Humphrey Building (HHS Headquarters) and the Central Employment Area.
- Lead facilities innovation and promote continuous improvement.

HHS will most efficiently succeed in reaching its real property management goals in collaboration with the many stakeholders we report to, work for, and work with. Legislative authorities provide direction and resources. The larger family of federal agencies shares our mission of implementing federal policies, as determined by the above authorities, while non-federal groups and individuals participate with us as joint stewards of our Nation's resources. Stakeholder groups must be fully considered and we must take advantage of resources available from higher executive authorities, the Office of Management and Budget, peer agencies/departments, civilian agencies such as the Department of Homeland Security and the Environmental Protection Agency; Presidential Councils such as the Advisory Council for Historic Preservation and the Federal Real Property Council, Federal Facilities Council; as well as non-federal stakeholders including State and local governments, tribal authorities, non-federal sponsors, and interest groups.

Indian Health Services facility, Piñon, NV

2.2 Human Capital and Organization Infrastructure

The HHS *Strategic Human Capital (HC) Management Plan* states that people are the most significant resource available to leadership in an organization. The foundation of HHS and the key to its future success is its workforce. Without an effective workforce, the important mission-

related work of the Department could not be accomplished. The Department's ability to accomplish its mission is directly dependent on a workforce that capitalizes on its strengths and aligns itself with the Department's mission and strategic goals. In a world of turbulent change, success depends on the HHS workforce's ability to learn and adapt at rapid speed. The overall challenge for HHS is to develop and utilize its human capital in a strategic manner. The Department must build a fully integrated human capital management approach that bridges the gap between where HHS is today and where HHS needs to be. Therefore, we must attract, develop, and retain a world-class workforce. We must identify, develop, maintain and strengthen the technical competencies, knowledge management and leadership required to provide effective service to the Department. The Department's *Strategic Human Capital Management Plan* provides the comprehensive approach that will move HHS forward toward that future vision.

The purpose of the HC Plan is to create and implement a human capital strategy that guides HHS in managing its workforce to achieve Department strategic goals. It draws together and coordinates efforts that cover the entire range of human capital activities. The HC Plan has direct linkage with the Department's 5-year Strategic Plan through Objective 8.2 - "Improve the strategic management of human capital." The success of the HC Plan requires the collective and continued commitment of senior Department leadership, managers, employees, employee representatives, and other stakeholders. Through this Department-wide cooperative effort, HHS will be able to unleash the full power, productivity and imagination of a world-class workforce.

The HHS real property management workforce includes contract and civilian employees that contribute to real property asset management that supports the overall agency mission. HHS understands the importance of having a competent workforce with the appropriate real property skills and training to support HHS's core competencies, goals, and mission. HHS supports continuous learning to strengthen these real property core competencies and to keep aware of and import applicable industry trends, benchmarks, and best practices. The support provided by real property management professionals within the Department (spread throughout the OPDIVs) is essential to accomplishing health and human service programs in deliberate alignment with the Department's mission and strategic direction. We are taking action as noted below to address any skills gaps or retention requirements in our workforce to ensure appropriate management of HHS real property assets.

The functional areas necessary to ensure appropriate management of the Department's current and planned real property assets include:

Real Property Functional Areas:

- Master Planning
- Facilities Management
- Facilities Engineering
    - Facilities Civil Engineering
    - Facility Mechanical Engineering
    - Facility Electrical Engineering
    - Architectural Engineering
- Construction Management
- Real Property Management

- Facilities Operations and Maintenance
- Environmental Program Management
- Energy Program Management
- Historic Preservation

The competencies necessary for federal real property management to ensure appropriate management of the Department's current and planned real property include:

- Acquisition and Contract Management
- Acquisition Planning
- Budgeting Management
- Business Management
- Contract Formation
- Contract Management and Performance Assessment
- Cost Estimation Analysis
- Emergency Management
- Environmental Engineering & Management
- Environmental Planning/NEPA
- Environmental Remediation
- Facilities Engineering and Management
    - Architectural Engineering
    - Facility Civil Engineering
    - Facility Mechanical Engineering
    - Facility Electrical Engineering
    - Fire Protection Engineering
    - Construction Management
    - Real Property Management
    - Facilities Operations and Maintenance
    - Facilities Planning
- Financial Management
- Historic Preservation
- Leadership
- Legal
    - General Law
    - Contracts Law
    - Personnel/EEO Law
    - Environmental Law
- Master Planning
- Occupational and Environmental Health, Workplace Safety
- Partnership & Business Development
- Policy Management
- Personal Communication
- Program/Project Management
- Quality Engineering & Assurance
- Relationship Management
- Reliability & Maintainability Engineering & Assurance
- Risk Management
- Security & Program Protection

2.3 Real Property Asset Management Decision Making

Real property asset management decisions within HHS are made at both a Departmental and OPDIV level. The Department employs a capital facilities programming and project review process that allows for strategic management of HHS real property assets and informed advice to the Assistant Secretary for Administration and Management (ASAM), the Assistant Secretary for Budget, Technology and Finance (ASBTF), and, through recommendations of the HHS Capital Investment Review Board (HHS Board), as well as the Secretary on significant OPDIV capital facility investment issues.

NIH Family Lodge

The HHS Facilities Program Manual (currently under construction), sets forth overall Departmental policy and guidance for HHS personnel who are responsible for directing and managing HHS facility activities. The manual is intended to promote excellence in management and good stewardship of HHS facilities from budget formulation to facility remediation and disposal. It emphasizes all aspects of real property management and addresses major federal initiatives and national concerns such as protecting the environment; sustainable design; historic preservation; accessibility for persons with disabilities; and value engineering. The HHS Facilities Program Manual aligns the HHS facilities program with the HHS mission. The manual can be found at http://www.hhs.gov/hhsmanuals/phsmanual.html.

In addition to aligning facilities guidance with agency mission, the HHS Facilities Program Manual specifically links real property inventory information (see Section 4.1) to both the Capital Improvement and Operations and Maintenance budget decision-making process. A key inventory element is "Facility Condition Index" (FCI). The goal of HHS is to achieve a reasonable, consistent condition index over time across its portfolio of assets, to invest in its portfolio to sustain assets to a 50-year life cycle and to operate assets on a cost-per-square foot basis that mirrors industry standards. Facility Condition Index, along with other inventory elements of operating cost, utilization rates and mission dependency of a facility, provide the data points necessary to gauge operations and sustainment trends and to drive Capital Improvement and Operations and Maintenance investment strategies. Emphasis will be placed on improving the FCI of mission-critical facilities at faster pace than less critical facilities, and at a higher index. Investments in sustainment-type projects will be adjusted, up or down, to track to a 50-year life cycle curve.

2.3.1 Roles and Responsibilities

At the Departmental-level, the Assistant Secretary for Administration and Management (ASAM), Office of the Secretary, has been delegated real property management oversight authority and provides direction to all HHS OPDIV real property activities. The Assistant Secretary for Budget, Technology and Finance (ASBTF) is the Department's Chief Financial Officer (CFO) and directs the formulation and presentation of the Department's annual budget request to Congress.

The Office for Facilities Management and Policy (OFMP), within ASAM, is responsible for reporting to OMB and the Federal Real Property Council (FRPC) on facilities activities and performance. The OFMP Deputy Assistant Secretary is the HHS Senior Real Property Officer, providing Department-wide leadership and direction for real property management programs. Additional information regarding Departmental/OPDIV real property roles and responsibilities are noted below.

2.3.2 HHS Facility Project Review Process

(Refer to Section 3.1.4 and 3.1.5 for a discussion on the HHS direct leasing program.)

The Department's facility project review process is a three-tiered structure (*i.e.*, pyramidal) supporting the Department's fiscal year budget formulation process that distinguishes HHS approval authorities based on the full cost of each project considering all sources of funds. Exceptions to these established project funding level approval authorities are contained in specific project-type review authorities given to the HHS Board. The facility project review process is as follows:

2.3.2.1. Land-holding OPDIVs - The Commissioner of the Food and Drug Administration (FDA), and the Directors of the Centers for Disease Control and Prevention (CDC), Indian Health Service (IHS), and National Institutes of Health (NIH) are responsible for approval of construction and improvement projects under $1M and all repair projects under $3M, that are not otherwise within the purview of the HHS Capital Investment Review Board ("the Board"). They are also responsible for submission of projects in the HHS annual budget. Each OPDIV is organized differently in response to its specific mission and stakeholders. Facilities programs may be centralized (CDC, FDA and NIH) or decentralized (IHS); and some programs may be delegated to the Tribes pursuant to a self governance compact under P.L. 93-638. The Department does require that each OPDIV, in accordance with the OMB A-11 Capital Programming Guide, establish an internal process with their stakeholders for identifying projects, developing and evaluating the business case for each project, and prioritizing projects for inclusion in their facilities plan. Projects below the thresholds of $1M for construction and improvements and $3M for repairs are not submitted to the Department for review as individual projects. These projects are typically funded from the lump sum appropriations for Repair and Improvements (R&I) or Maintenance and Improvements (M&I). As an example of an internal process, at NIH the Facilities Working Group (FWG) was chartered to advise the NIH Steering Committee, the NIH Institutes and the NIH Director on matters pertaining to the planning, acquisition, development, and use of land and facilities. The FWG prioritizes the projects and

submits them to the NIH Director for approval and the approved NIH list is sent to the Department for the HHS Capital Investment Review Board's action. All projects not approved by the Board are returned to the appropriate OPDIV. (See Section 2.3.2.3, HHS Board.)

2.3.2.2. ASAM - The Deputy Assistant Secretary of the Office for Facilities Management and Policy (DAS/OFMP), ASAM, approves all HHS OPDIV facility construction and improvement projects between $1M and $10M and all repair projects between $3M and $10M that are not within the purview of the HHS Board. As part of the OPDIV annual budget submission to the Department, each OPDIV submits their Annual Facilities Plan for Buildings and Facilities that identifies projects requiring ASAM or Board approval, as well as the draft Facility Project Approval Agreements (FPAA) for those identified projects. OFMP reviews each project for consistency with the Department's overall facilities program requirements and policy. For instance, the FRPC performance measures are included as relevant on the FPAA. The level of pre-project planning completed to date is defined using the Construction Industry Institute's Project Definition Rating Index (see also Section 3.1.1); and an acquisition plan is included in the initial submission. In addition, planning and programming documents or other documentation are submitted on an as needed basis to clarify the description and justification for the project. OFMP clears the FPAA for approval only when all components of the project are well defined and there is clear articulation that the project meets the overall mission of the OPDIV and Department. Disapproved projects are returned to the submitting OPDIV with comments. Projects requiring Board review are forwarded with an OFMP recommendation. Once the Board approves a project, OFMP clears the FPAA for submittal as an original signed document. The Department requires a FPAA be approved by September 30th for projects funded to start in the new fiscal year (October 1st). Out-of-cycle projects (whether necessitated by an emergency, new mission, or changed requirements) are dealt with on a case-by-case basis using the same process.

2.3.2.3. HHS Board - The Board is a key body to provide initial facility program agency strategic plan integration through the participation of the Assistant Secretaries for Administration and Management; Budget, Technology, and Finance; and Strategic Planning and Evaluation. It reviews all other proposed facility projects including:

- OPDIV investments of $10M or more and all land acquisitions;
- Department-wide investments that affect multiple organizations;
- Investments that have a significant impact on a single OPDIV;
- OPDIV investments that the Office of the Secretary determines to have significant risks; high development, operating or maintenance costs; or have high public visibility;
- Major repair and improvement (alteration and renovation) projects more than $10M; and
- Other project types as may be designated by the Board.

The HHS Board was established on June 9, 2003, in accordance with Part 7 and Part 8 of OMB Circular A-11. (Part 7 of OMB Circular A-11 states that agencies must establish and maintain a

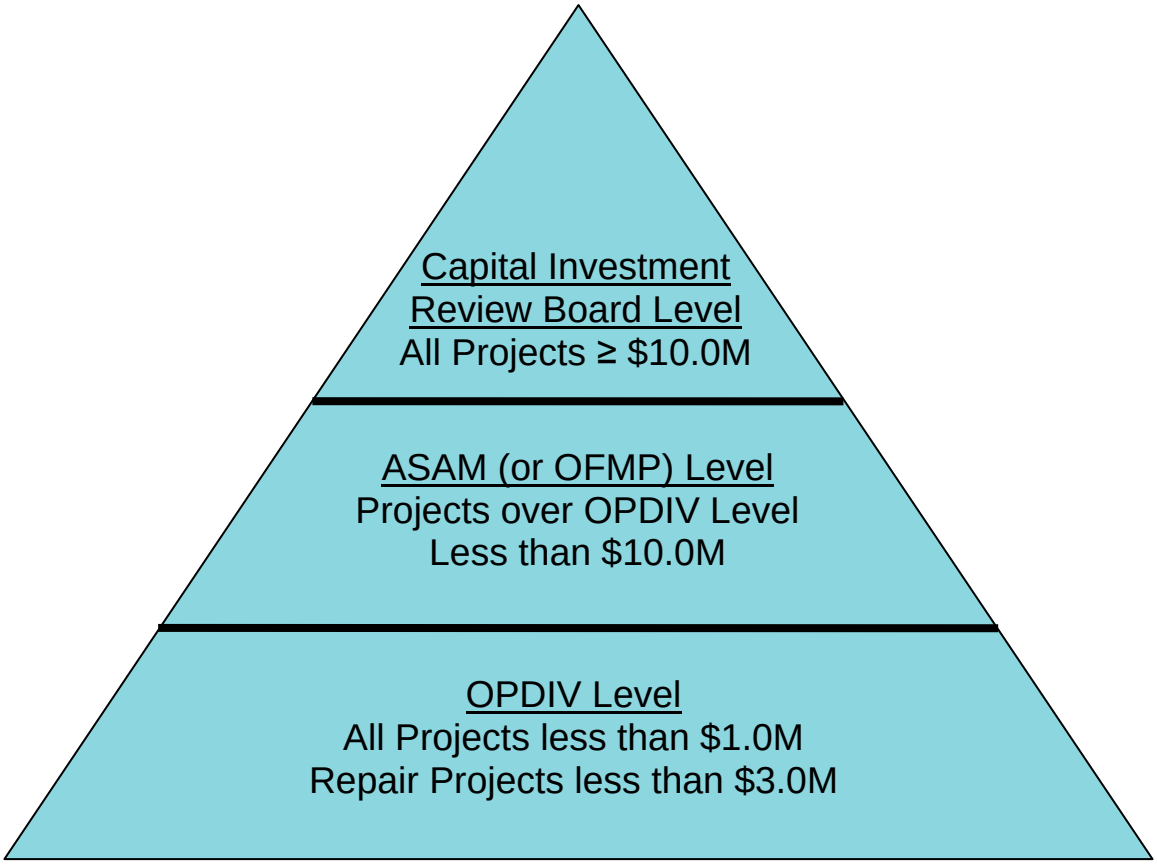
capital programming process that links mission needs and capital assets in an effective and efficient manner.") The Board conducts its review of proposed capital investment projects using a programming process that documents and defines how the agency selects capital investments for inclusion in the agency's capital investment portfolio for funding each year and how capital investment projects, once initiated, will be controlled to achieve intended cost, schedule and performance outcome. The Board also reviews Operations and Maintenance funding and major leasing activities to be able to balance capital investments, considering plant condition, reliability, operating cost, and life cycle cost.

The HHS Board makes recommendations for strategic management of HHS real property assets and advises the Assistant Secretary for Administration and Management (ASAM) and the Secretary on major facility issues. The Board is a cross functional executive review committee and provides advice and makes recommendations to the Secretary, the ASAM and the ASBTF on a range of issues to include: 1) the development of facility capital investment guidelines; 2) the development of guidelines to implement an investment review process that provides strategic planning for and oversight and guidance of facility investments; and 3) regular monitoring and proper management of these investments, once funded. One of the outputs of the investment review process is a regular update of the HHS investment portfolio or plan that supports HHS strategic objectives. The Board reviews proposed capital projects and recommends inclusion of those meeting HHS mission requirements in the Department's annual budget formulation process.

The Board consists of all OPDIV Heads with land-holding and acquisition authority and OS Staff Division (STAFFDIV) Heads with oversight responsibilities that directly involve implementing facilities functions. At present Board members include:

- Assistant Secretary for Administration and Management (ASAM) (Board Chair)
- Assistant Secretary for Budget Technology and Finance (ASBTF)
- Assistant Secretary for Legislation (ASL)
- Assistant Secretary for Planning and Evaluation (ASPE)
- CDC Director (or designee)
- FDA Commissioner (or designee)
- IHS Director (or designee)
- NIH Director (or designee) and
- Three at-large appointments (no term limitation), who are recommended by the ASAM and ASBTF and approved by the Secretary.

FUNDING AUTHORITIES



2.3.3 HHS Form 300 (Facility Project Approval Agreement)

The HHS Form 300 (commonly known as the Facility Project Approval Agreement or FPAA) has been accepted by the Office of Management and Budget for facilities project documentation. All projects approved by ASAM and the Secretary (through the HHS Board) require a binding written approval agreement between designated officials of the sponsoring OPDIV and ASAM. The FPAA documents the project's scope and description, basis of need, funding source(s), total cost from all sources (including Furniture, Fixtures, and Equipment (F&E)) and project schedule milestones (*i.e.* planning, design, construction, activation and operational phases). The agreement represents a commitment by the OPDIV to the scope, budget and schedule for that project. HHS utilizes Earned Value Management on all construction projects consistent with Circular A-11, Part 7 Planning, Budgeting, Acquisition and Management of Capital Assets. The methodology utilized on all construction projects follows the "Schedule Variance" approach defined in Appendix Four of the Supplement to Part 7 – Capital Programming Guide. The construction contractor provides a baseline plan for each construction project reflecting a work breakdown structure, schedule of values and planned timeline. Each progress payment reflects an update of actual work in place ("earned value") compared to the baseline. As part of the contractual relationship with the construction contractor, each Operating Division retains

responsibility for ensuring progress payments are consistent with the earned value of the project. In evaluating a request for payment from a contractor, the OPDIV certifies that the current invoice and its detailed schedule of values reflect actual work to date. When a Tribe contracts design and/or construction of facilities under P.L. 93-638, an advance payment schedule is negotiated between the Tribe and IHS. The Tribe accepts responsibility under P.L. 93-638 for ensuring that payments to subcontractor(s) do not exceed the earned value of work in place. HHS does not review and manage the projects directly. However, through the Quarterly Status Report and frequent project briefings, each Operating Division updates the Department on the status of scope, budget and schedule of projects beyond the Operating Division's approval authority. In addition, the Quarterly Status Report captures the type of project, the current phase and the obligations to date. Each project is measured annually against the approved FPAA for deviations in scope, budget and/or schedule. This is a performance measure for each OPDIV under the Department's management objectives. Revisions and changes to the scope, budget and schedule after the original FPAA approval are addressed in a change to Facility Project Approval Agreement. Those revisions or changes not within OPDIV approval authority require submittal of a revised FPAA through OFMP. The OPDIV shall submit the revised FPAA to OFMP as soon as the revision or change is identified. OPDIVs are encouraged to advise OFMP of the revision verbally, then immediately follow up with the documentation. The revision summarizes the changes to the scope, budget and/or schedule only and the basis for those changes. It does not reiterate information on the original FPAA. OMFP follows the same review process for the revision as outlined above for the original FPAA submittal before clearing the FPAA for approval. While the FPAA process recognizes that there will be changes, HHS performance management objectives require adherence to the "as submitted and approved" budget, scope and schedule as the standard against which actual performance is measured.

2.3.4 Additional Actions to Improve Real Property Asset Management Decision Making

OS under the leadership of the HHS Senior Real Property Officer will improve real property asset management decision-making by: requiring OPDIVs to provide Construction Program status through quarterly status reports indicating performance against budget, scope, and schedule metrics; issuing HHS draft policy on use of Operating Funds for facilities construction; requiring OPDIVs to issue their internal budget guidelines consistent with HHS pre-budget guidance; developing a process to consider applicable FRPC and HHS metrics in facility planning, budget development and priority-setting tied to OPDIV/HHS budget process; and forming a senior-level OPDIV work group and develop draft facility disposition algorithm.

2.4 Owner's Objectives

HHS has established a set of qualitative and quantitative owner's objectives specific to its portfolio. These owner's objectives are the foundation for developing a portfolio or asset level strategy. Qualitative and quantitative owner's objectives are expressed in HHS's long-term outcome goals and performance targets discussed in Section 4 of this RAMP. Owner's objectives for HHS include:

FDA San Juan, Puerto Rico

- Assets must support the agency's current federal mission need
- Agency assets must be economically sustainable
- The assets must meet serviceability standards and customer needs
- Physical condition will be maintained to reflect market standards
- Target reinvestment to performing assets
- Asset Management Building Blocks at the constructed asset level must be updated annually

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Section 3 Planning and Acquisition of Real Property

Federal capital investment planning and decision-making has undergone profound changes during the last decade as a result of the Government Performance and Results Act (GPRA); Clinger-Cohen Act (1996); Federal Acquisition Streamlining Act (1994); OMB's *Capital Programming Guide* (Supplement to Part 7 of OMB Circular A-11); Executive Order 13327, Federal Real Property Asset Management; and other federal initiatives. In response, HHS developed a comprehensive capital asset planning process and management strategy. A structure has been developed that facilitates a comprehensive system-wide integrated capital investment planning process (see section 2.3.2 HHS Facility Project Review Process). The fundamental goal of this process is to ensure that all major capital investment proposals, including high-risk and/or mission-critical projects, are based on sound business and economic principles; promote the "One-HHS" vision by linking diverse but complimentary objectives; align with the overall HHS strategic goals and objectives; address the Secretary's priorities by emphasizing program objectives in support of internal goals; and support the President's Management Agenda.

The mission requirements of HHS drive its planning and acquisition of real property assets. During the planning phase, the Department's mission requirements are incorporated into the agency's capital asset plans. When a real property asset requirement is received or developed, HHS first looks to use existing Government-owned assets before seeking to add square footage to the federal inventory. If there are no suitable existing solutions, HHS has three alternatives: Build a new federal asset; buy an existing asset; or lease a new asset from the private sector. The merits of each alternative are analyzed to insure that the needed real property asset is acquired in the most cost effective fashion, as well as in time to meet agency needs.

To determine the most appropriate acquisition method, HHS considers such things as: How many assets are needed; how quickly is the asset needed; how long will the asset be needed, how specialized is the asset; and how complicated will the build-out be? This effort is included in the HHS Pre-project Planning activity, in which HHS employs a disciplined approach to early (pre-design) decision-making in order to avoid costly changes after the start of detailed design or construction. HHS has adopted the industry best practice for Pre-project Planning developed by the Construction Industry Institute. Pre-Project Planning is a process for developing sufficient strategic information from which HHS can evaluate risk and decide to commit resources to maximize the success of a project. The process has four key components: Organizing for Pre-Project Planning; Select Project Alternatives; Develop a Project Definition Package; and Decide Whether to Proceed with the Project. Acquisition methodologies are assessed early on in project development and the most appropriate is selected for the planned acquisition. The process does not dictate the method of acquisition and, in fact, encourages analysis of all alternatives addressing cost, time, technology, site characteristics, economics, etc. A thorough analysis will include consideration of existing renovation versus construction versus leasing. Once the best alternative(s) is identified, then a detailed definition package of the project scope, design, controls, and execution is prepared. The Project Definition Rating Index (PDRI), as developed by the Construction Industry Institute, is used as a tool to determine whether the project definition package is adequately defined to make a decision to move forward with a project.

HHS will be customizing the PDRI tool to more accurately reflect the specific parameters appropriate for each of our projects. The process also yields the most critical actions necessary at each planning review to reduce project risk. Each of these factors is important for determining logistically feasible alternatives and comparing the life-cycle cost of those alternatives. The recommendation for satisfying a mission need through construction, purchase, or leasing is based on the results of critical analysis. The first level of analysis includes adherence to OMB Circular A-11, Part 7 requirements for life cycle costing, alternatives evaluation, and justification and is documented on the HHS Form 300. The second level of analysis is internal OPDIV budget and requirements reviews. The third level of analysis is the HHS Review and Approval process through the Office of the Deputy Assistant Secretary for Facilities Management and Policy and/or the HHS Capital Investment Review Board. Lastly, projects that survive the first three levels are submitted to the Secretary's Budget Council to assess programmatic tradeoffs and make the final recommendation to the Secretary for inclusion in the HHS FY Budget Submission

Benchmarking

Investment protocols and standards have been developed to provide guidelines for each major phase/milestone in the life-cycle of a capital asset. All capital assets are monitored and evaluated against a set of performance measures (including those that are underutilized and/or vacant) and capital goals to maximize highest return on the dollar to the taxpayer.

As the owner of a substantial infrastructure, HHS has the responsibility to measure the utility, productivity and value of those investments. Asset performance measurement is a fundamental component of the following:

- accountability to the taxpayers;
- a determination of best practice role models;
- recognition and incentive for good asset management; and
- Justification for past and future investment.

At the highest level, asset performance is measured against HHS's primary asset related goals:

- Establish policies; guidelines; operating procedures; and lines of financial authority, delegation, and accountability; and provide Departmental oversight and integration for Operating Division/OFMP-related activities to assure that HHS functions as "one Department" in the facilities area.
- Improve the Capital Planning/Program integration process.
- Reduce the cost of leasing and real property management.
- Reduce the cost of acquisition and ownership.
- Improve safety, security, maintainability, life cycle cost, health, and environmental impact by facilitating sustainable design and other best practices.
- Improve the physical environment and reduce operating cost of the HHH Building and the Central Employment Area.
- Lead facilities innovation and promote continuous improvement.

HHS has implemented the government-wide real property management standards promulgated by the Federal Real Property Council (FRPC). The current first tier measures include Facility

Condition Index, Annual Facility Operating Costs, Facility Utilization Index, and Mission Dependency measures. These measures will also incorporate industry and commercial benchmarks where available and appropriate.

HHS is fully committed to using appropriate industry and commercial benchmarks to gauge the condition and performance of facilities and expects additional benchmarks will be identified by the FRPC and other agencies in their asset management plans. HHS will review existing information for usefulness and ensure future data gathering efforts support program goals. For example, GSA uses a housing plan detailing current space assignments and projected needs using cost benchmarks and project development data on building efficiency, to assess the customer need and their impact on the assets within a given location. HHS is exploring whether to adapt and use this plan and benchmarks for its own purposes.

In addition, the development and deployment of the Automated Real Property Inventory System (ARIS), facility management software will assist HHS in achieving a major milestone in transitioning from the traditional single asset management style to corporately managing our vast portfolio of holdings. The information and data captured by ARIS will enable OFMP to better understand the agency's assets, as well as determining where any problems lie by providing increased visibility of asset performance on an across the board organizational level. Only through this corporate portfolio perspective can HHS begin to achieve its overall capital asset business strategy of value management.

3.1 Capital Plans for Major Projects

Each land-holding OPDIV as part of the annual budget cycle develops a prioritized capital plan. The Annual Facilities Plans for FY2007 are included in Attachment 4. The Annual Facilities Plans contain those projects that are recommended for implementation in the Budget year minus 3 years to the budget year plus 5 years forward. For example, the 2007 plan includes the years 2004 through 2012. Projects in the plan include construction, repair-by-replacement, major repairs (over $3M) and major improvements (over $1M). Lump sum amounts may be shown for Repairs and Improvements (R&I) and Maintenance and Improvements (M&I) in out years. The budget call guidance in the spring asks each OPDIV to include in their Annual Facilities Plan for Buildings and Facilities all projects requiring ASAM or Board approval. Projects below the thresholds of $1M for construction and improvements and $3M for repairs, for which the OPDIVs have approval authority, may be included in the Annual Facilities Plan at the OPDIVs' discretion. These projects are typically funded from the lump sum appropriations for R&I or M&I. The Department requires that each OPDIV have an internal process with their stakeholders for identifying projects, developing and evaluating the business case for each project, and prioritizing projects for inclusion in their facilities plan. HHS requires each OPDIV to program their requests and approves individual projects and lump sum

IHS Piñon, NV

program amounts in concert with balancing programmatic priorities and understanding the impacts of approving or deferring the facility work.

HHS requires capital projects $10M or more as defined in the HHS Facilities Program Manual to be submitted to the Capital Investment Review Board. These projects must be designed and constructed with funds specifically identified, by project name, for that purpose in the HHS Buildings and Facilities (B&F) budget process documents, a congressional reprogramming action or actual line item appropriation. Capital projects under $10M that add useable program space must be submitted to ASAM (OFMP) for review and approval. These projects must be identified, by project name, for that purpose in the HHS B&F budget process documents, a congressional reprogramming action or actual line item appropriation. These projects have a project specific apportionment from OMB. Capital projects between $1M and $10M for improvements and between $3M and $10M for repairs that do not add useable program space must be submitted to ASAM (OFMP) for review and approval. These projects are identified by project name in the OPDIV Annual Facilities Plan. However, they may not have an actual line item appropriation or a specific apportionment from OMB. These projects are typically funded from the lump sum R&I or M&I.

3.1.1 Construction Major Projects

The construction program addresses program requirements that serve a federal need that cannot be readily met with existing agency assets or assets available in the private sector. The prioritization of these projects is done in close coordination with the OPDIV with the specific requirement. OFMP routinely meets with the facilities staff from each OPDIV to discuss ongoing projects, pending new requirements and/or mission initiatives. OFMP collaborates with the OPDIV Facilities Directors to identify common initiatives and approaches to facilities management through quarterly meetings. Each OPDIV is a voting representative on the Capital Investment Review Board and, as such, assists the Department in the overall validation and prioritization of the Departmental Building and Facilities program at the annual Board meeting in June of each year. Beginning with the FY 2005 budget preparation process, HHS required all projects $10M or more and land acquisitions be submitted to the Board for review and concurrence. Each OPDIV formally presents their prioritized plan before the Board. The Board then defines action items and provides a recommendation to the Secretary's Budget Council. From the Board's recommendation and the Secretary's Budget Council, the final Secretary's decision is issued, which becomes the basis for the Department's prioritized Capital Plan in the budget submission to OMB.

In preparing their presentation to the Board, each OPDIV is required to develop a draft Facility Project Approval Agreement (FPAA). The FPAA is the project justification, and is submitted as part of the HHS budget formulation process. The draft FPAAs are submitted for review to OFMP no later than June 1 each year in preparation for the annual Board meeting in late June. Prior to execution of the project, a final FPAA consistent with the decisions of the Secretary's Budget Council is signed by the OPDIV Board Member, Project Director, and Project Manager. HHS signs off signifying HQ and Board approval and acceptance of the OPDIV's commitment to execute the project within the defined requirements, scope, budget and schedule as presented or modified during the review process. As signatories to the FPAA, the OPDIV Board Member, OPDIV Project Director, and OPDIV Project Manager are held accountable for delivering the

approved project within the defined scope, budget and schedule. Projects are measured annually against the approved FPAA for deviations in scope, budget and/or schedule. This is a performance measure for each OPDIV under the Department's management objectives. The measure is reflected in the internal scorecard HHS provides each OPDIV under Real Property Asset Management and in the performance plan of the OPDIV Director. This performance measure flows down to the signatories on each respective FPAA and has a direct impact on each person's annual performance rating.

New requirements for projects that occur outside the normal budget formulation process are submitted for review as soon as the requirement has been identified. These out-of-cycle projects may be necessary because of an emergency, new mission, or changed requirements. Funding comes from reprogramming or lump sum R&I or M&I, as appropriate for the type of project. OFMP works with the OPDIV to facilitate approval of the project in a timely manner. Planning and program documents are not submitted with the FPAA. However, as part of the review process, OFMP may require the OPDIVs to submit these documents.

HHS has identified thorough pre-project planning as a key to successful project accomplishment. Pre-project planning is a process for developing strategic information with which an OPDIV can address risk and decide to commit resources to maximize the chance of a successful project. Pre-project planning starts with the identification of requirements and continues through the schematics phase of the project. The pre-project planning phase establishes the project requirements and concept, and provides the basis for the project budget and approval. HHS has adopted pre-project planning as a best practice, and requires the use of the Construction Industry Institute's (CII) tool, the Project Development Rating Index (PDRI) to evaluate the ongoing status of a project. The major stakeholders of the project convene and through input into the PDRI tool, determine the accuracy and completeness of project information. The process includes analysis of three specific areas: Basis of Project Decision, Basis of Design and Execution Approach. As an example, the Basis of Project Decision rates such elements as the level of definition of the building use, functions and alternate options; the driving forces and business strategy that supports the project; the economic viability of the project; how reliability, maintenance, operations and design will be considered; evaluation of existing facilities and specific project requirements. The PDRI is used as an indication of the project's readiness in terms of its development and helps determine whether the project should proceed through the budget cycle, allowing each OPDIV to make the best investments and improve project success by thinking ahead and planning early. The PDRI tool also identifies those areas that may need special attention or consideration in putting together the overall project plan, such as environmental considerations.

CDC Building 21, Headquarters and Emergency Operations Facility

3.1.2 Repair and Improvement Major Projects

Beginning with the FY 2005 budget preparation process, HHS required all Repair projects $3M or more and all Improvement projects $1M or more but less than $10M to be submitted to the OFMP for review and concurrence. Each OPDIV presents their Repair (or Maintenance) and Improvement (R&I/M&I) projects in their Annual Facilities Plan, which is submitted as part of the budget process documents. Projects below the thresholds of $1M for improvements and $3M for repairs, for which the OPDIVs have approval authority, may be included in the Annual Facilities Plan at the OPDIVs' discretion. Projects below the thresholds are not submitted to the Department for review as individual projects. The Department requires that each OPDIV have an internal process with their stakeholders for identifying projects, developing and evaluating the business case for each project, and prioritizing projects for inclusion in their facilities plan. As an example of an internal process, at NIH the Facilities Working Group was chartered to advise the NIH Steering Committee, the NIH Institutes and the NIH Director on matters pertaining to the planning, acquisition, development, and use of land and facilities. This group evaluates NIH programmatic needs, balances competing priorities, identifies alternative means to meet changing needs for capital facilities and reconciles them into a rolling five-year Strategic Facilities Plan, the annual Buildings and Facilities Plan and an annual Leased Facilities Plan. The annual Buildings and Space Planning process begins almost two years prior to the budget year in which capital funds are needed for new building projects or leased space. The priorities and recommendations developed by the NIH Facility Working Group are based on its general assessment of future budget levels, facility condition assessments, knowledge of new NIH initiatives that could generate a facility or space requirement or new service demand, and consideration of whether the project's scope and cost are defined sufficiently to allow it to be included in the plan.

As for major construction projects, each OPDIV is required to develop a draft FPAA for all repair, maintenance and/or improvement projects that exceed the thresholds. The FPAA is normally approved by September 30th prior to the fiscal year in which the project is funded. The draft FPAAs are submitted for review to OFMP no later than August 15 each year. New requirements for projects and pre-project planning are addressed like major construction projects.

3.1.3 Additional Actions to Improve Capital Plans for Major Projects

OS under the leadership of the HHS Senior Real Property Officer will improve capital plans for major projects by: holding annual "Lessons Learned" workshops to discuss the pre-project planning (PPP) process, improvements to the Facility Project Approval Agreement (FPAA) and changes to be incorporated in the next budget cycle; establishing a working group to customize the PDRI tool specifically for HHS projects; and developing a training module using CII best practice Project Delivery and Contract Strategy (PDCS). Working with the OPDIVs, OFMP will also sponsor workshops to train the OPDIV trainers, who in turn will train OPDIV staff; develop an implementation strategy to assess the quality of the design and construction process; and conduct a Department-wide workshop to determine what best practices related to sustainable design can be responsibly implemented by all OPDIVs. From the workshop, OFMP will establish a working group to identify sustainable initiatives and develop recommended practices and policy for the Department.

3.1.4 Acquisition of Leases Above the Prospectus Level

GSA currently performs most of the HHS leased space acquisitions. When developing their requirements, HHS OPDIVs consider the budget, overall mission, and organization structure to assure the most efficient and economical use of space. Before submitting its request to GSA, the OPDIV surveys the Federal, state, and local organizations that they will be working with in the area to ascertain whether low- or no-cost space might be available. The OPDIV also ensures that HHS guidelines, at a minimum, are followed with regard to space utilization. If after thorough review it is determined that these utilization guidelines must be exceeded due to program requirements, then a justification is prepared and submitted to the Department for approval. As the Contracting Officer for HHS leases, GSA is responsible for surveying the availability of space in the local market and for ensuring that leasing proposals conform to OMB's operating lease scoring requirements. The OPDIV works with GSA to ensure that the timing of their acquisitions conforms to the schedule by which the space is needed. This includes terminating those leases or portions of leases in which the space is no longer needed due to changes in the OPDIV or HHS mission." All leases require HHS Office of the Secretary's (OS) approval with respect to the Department's space utilization policies, appropriate security level, and the leasing contract.

HHS ensures that leasing proposals conform to OMB's operating lease scoring requirements and examines each leasing proposal for consistency with the portfolio strategy, the availability of space in the local market, and the appropriateness of timing. OPDIVs are advised to consult with OFMP regarding scoring rules before executing lease agreements for real property. OPDIVs are advised of these scorekeeping requirements both in writing and in forums such as Facilities Directors' Workshops sponsored by OFMP. OFMP will also sponsor training sessions (conducted by OMB) for the HHS real property community whenever scoring matters are modified.

In addition HHS has certain direct leasing authorities, which apply to Indian Health Service. Legislative authorities include: Section 804 of the Indian Health Care Improvement (HCI) Act (P.L. 102-357; Section 105 (1) of Public Law 93-68; and Public Law 100-690.

3.1.5 Acquisition of Leases Below Prospectus Level

HHS obtains its below prospectus leases in a variety of ways, including using the General Services Administration, with assistance of private real estate services firms, or, in-house personnel. The leases are written and negotiated by the Operating Divisions, following policies and guidance issued by the Department. The Administrator of General Services Administration delegated leasing of general-purpose space to the Secretary of the Department of Health and Human Services, effective October 14, 1996. HHS has re-delegated this authority to the National Institutes of Health; Indian Health Service; Centers for Disease Control and Prevention; Food and Drug Administration; and the Program Support Center. Prospectuses are required when the total cost of the project exceeds the threshold established by 40 U.S.C. Section 3307. The 2005 threshold is $2.29 million.

The Office of the Secretary has overall responsibility for management and provision of technical and administrative services to all facility development and operations in support of HHS's

mission, including real estate, acquisition services, property management, design, construction, facilities planning and environmental protection. The Office of the Secretary, Office for Facilities Management and Policy (OFMP) promulgates and enforces overall space policy, including build-out standards, leasing, and safety policy in Volume II of the Public Health Services (PHS) Facilities Manual. The HHS Facilities Program Manual will replace the PHS Facilities Manual. The HHS Facilities Program Manual Volume I provides overall policy procedures guidance and reporting requirements for direct lease acquisitions by HHS Contracting Officers and Real Property Specialists. The OFMP approves all leases to ensure adherence to standards. Additionally, Office of Public Health Emergency Preparedness (OPHEP) reviews all proposed locations for the physical security. OFMP issues written approval of the space acquisition.

In addition, Contracting Officers and Real Property Specialist are required to follow the guidance outlined by GSA in the Federal Register on May 25, 2005, which can be accessed at the following link: http://a257.g.akamaitech.net/7/257/2422/01jan20051800/edocket.access.gpo.gov/2005/05-10451.htm. This guidance details the HHS responsibilities that stem from the 1996 "Can't Beat GSA Leasing" program.

As noted above in Section 3.1.4, HHS OPDIVs must acquire and utilize space in accordance with all GSA regulations, as well as applicable laws and regulations, including, but not limited to, the Competition in Contracting Act (CICA), Federal Management Regulations (FMR), Executive Order 12072, Executive Order 13006, the Davis Bacon Act, and the Federal Acquisition Regulations (FAR) in order to:

1. Protect the public interest by conservation of property and prudent management of resources;
2. Effectively support the HHS and its missions by assuring facilities operation and performance of maintenance at a level of adequacy that will continually provide for HHS employees and the public they serve attractive and functional facilities and a high quality work environment that is comparable to industry, for HHS employees and the public they serve.

In addition to federal regulations and Executive Orders, HHS OPDIVs are required to adhere to the HHS Space Utilization Policy issued on July 14, 2003, and the HHS Facilities Program Manual.

3.1.6 Additional Actions to Improve the Acquisition of Leases

OS under the leadership of the HHS Senior Real Property Officer will improve the acquisition of major leases by establishing a Department working group of OPDIV representatives (such as Real Property Officers) as the conduit for assessing the Real Property Leased Space Program (LSP) and developing performance measures for the LSP. OFMP will develop a charter for the group, if appropriate; organize recurring sessions for, among other things, the purpose of promulgating the correct (legal) way to manage HHS's Leasing Program; form a group to initiate research on "tools of the trade" (*e.g.* Co-Star and the like); evaluate the aptness of these "tools of the trade" to HHS's Real Property Leasing Program and discern opportunities to share software; develop a process to consider consolidation/collocation of components in the same market as an

ongoing activity; develop and adopt internal controls for the Leasing Program and evaluate the Warrant Program for Real Property Leasing Officers with emphasis upon the credentials required for becoming warranted and the ongoing educational requirements to maintain the warrant; initiate OFMP-conducted internal audits of randomly-selected leases; initiate development of Post Occupancy Evaluations (a.k.a. Customer Satisfaction Survey) to discern if commercially leased properties meet the mission needs of the organizational entity; make use of GSA's annual IFMA survey in buildings under GSA custody and control that are assigned to HHS; and require OPDIVs to conduct an annual census/bottom-up review to calculate utilization rates to ensure that organizational entities are appropriately managing and utilizing space and provide certification to OFMP as part of the scorecard process.

3.2 Acquisition Performance Measures and Continuous Monitoring

Performance measures and benchmarks provide vital management information in all phases of the life cycle of an asset. These measures, along with quarterly management reviews, provide senior management with an excellent monitoring mechanism and feedback loop. There are government-wide measures, as proposed by the Federal Real Property Council, as well as agency-specific measures that are designed to meet the specific needs of an agency and track performance in achieving mission requirements.

On the front end of the life cycle it is important to measure the effectiveness and cost competitiveness of project delivery for construction and leasing projects. There are currently no government-wide acquisition measures; however HHS has several agency-specific measures in place. HHS measures the effectiveness and cost competitiveness of acquisitions through a series of construction benchmarks and performance measures. HHS plans to develop cost benchmarks for construction projects to ensure construction costs are in line with private sector standards. Only projects that meet these stringent requirements are considered for construction. Once in the construction phase, HHS measures the project delivery through a series of performance measures that assess whether a project is on schedule, on budget and evaluates the scope and quality of the project. Specifically, HHS employs three acquisition performance measures: *Changes in Project Scope; Changes in Project Cost*; and *Changes in Project Schedule.* Each is described below.

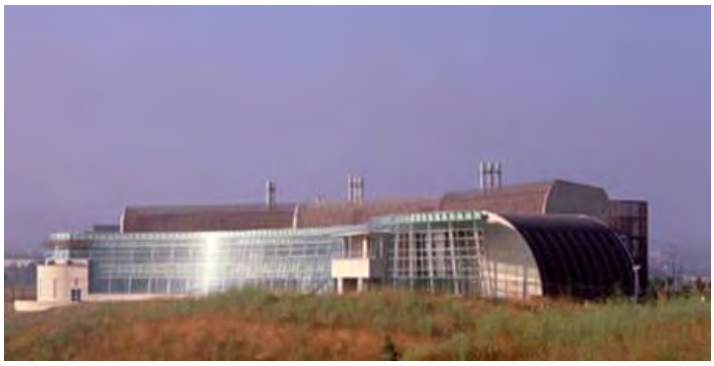
3.2.1 Federal Real Property Council Acquisition Measures

HHS will adopt the FRPC acquisition measures once they have been developed and defined.

3.2.2 Construction Acquisition Measures

When a Tribe contracts design and/or construction of facilities under P.L. 93-638, an advance payment schedule is negotiated between the Tribe and IHS. The Tribe accepts responsibility under P.L. 93-638 for ensuring that payments to subcontractor(s) do not exceed the earned value of work in place. Each OPDIV manages the earned value of each project consistent with the requirements of OMB Circular A-11, Part 7 Planning, Budgeting, Acquisition and Management of Capital Assets. The methodology utilized on all construction projects follows the "Schedule Variance" approach defined in Appendix Four of the Supplement to Part 7 – Capital Programming Guide. The OPDIVs track the disbursements on all projects and ensure that they do not exceed the earned value of materials on site and work completed. In evaluating a request

for payment from a contractor, the OPDIV certifies that the current invoice and its detailed schedule of values reflect actual work to date.



FDA Facility, Irvine, California

Scope, budget and schedule have been defined as HHS specific construction measures on all projects requiring ASAM or Board review. The original approved FPAA is the baseline for measurement against a specific project. Projects are measured annually against the approved FPAA for deviations in scope, budget and/or schedule. As signatories to the FPAA, the OPDIV Board Member, OPDIV Project Director, and OPDIV Project Manager are held accountable for delivering the approved project within the defined scope, budget and schedule. This is a performance measure for each OPDIV under the Department's management objectives. The measure is reflected in the internal scorecard HHS provides each OPDIV under Real Property Asset Management and is in the performance plan of the OPDIV Director. The performance measure flows down to the signatories on each respective FPAA.

Change in Project Scope

The purpose of this measure is to determine the percent a project changes in scope from planning through completion. It applies to all projects that require a Facility Project Approval Agreement (FPAA). This measure was incorporated into the Department's management objectives and the OPDIV Directors' performance plans beginning in FY05. All line item projects in the FY05 Buildings and Facilities (B&F) program were measured based on their status as of September 30th, and results will be included in the Q1 FY06 report. Starting in FY06, this measure applies to all line item and lump sum (R&I, M&I, etc.) projects that require HQ approval in accordance with the FPAA policy and that are active projects in FY05 or later, plus FY05 and later projects completed in FY06.

The following procedure is utilized to implement this measure:

1. Projects shall be measured annually.
2. Project Scope is defined as described in FPAA, block 13. Project Scope is further defined as physical size and characteristics, functions, and special features.
3. The original HHS approved FPAA is the benchmark for project scope.
4. Annual reporting of this measure utilizes the current approved FPAA or HHS Quarterly Status Report whichever is most recent.
5. Final report of change in project scope occurs when the project reaches "Operational" (at "Use and Possession" of a facility).
6. Deliverable: Reporting of a Change in Project Scope includes the benchmark (original) FPAA, subsequent approved FPAA revisions, and the most recent FPAA (or Quarterly Status Report) with transmittal memo.
7. Additional explanation sheets submitted with the FPAA may be included with a Change in Project Scope.

Change in Project Cost
The purpose of this measure is to determine the percent a project changes in cost from planning through completion. It applies to all projects that require an FPAA. This measure was incorporated into the Department's management objectives and the OPDIV Directors' performance plans beginning in FY05. All line item projects in the FY05 Buildings and Facilities (B&F) program were measured based on their status as of September 30th, and results will be included in the Q1 FY06 report. Starting in FY06 this measure applies to all line item and lump sum (R&I, M&I, etc.) projects that require HQ approval in accordance with the FPAA policy and that are active projects in FY05 or later, plus FY05 and later projects completed in FY06.

Each OPDIV is responsible for the following to assure appropriate implementation:

1. Each OPDIV will begin testing for full implementation by Q1 FY06. Reporting will be part of the testing process for metric applicability purposes.
2. Each OPDIV shall generate a Project Budget Template. Examples of project budget templates include:
   - CDC - Budget Worksheet (tab on the excel FPAA form),
   - NIH – Project Budget Cost Template, and
   - IHS – Facilities Budget Estimating System (FBES).

The following procedure shall be utilized to implement this measure:

1. Projects are measured annually.
2. Project Cost is defined as described in FPAA, block 6.b.
3. The original HHS approved FPAA is the benchmark for project cost.
4. An OPDIV generated project budget template will be utilized to capture all project costs and cross referenced with the FPAA cost data in boxes 9 and 10.
5. Annual reporting of this measure utilizes the current approved FPAA or the HHS Quarterly Status Report whichever is most recent.
6. Final report of change in project cost occurs when the project reaches "Operational" (at "Use and Possession" of a facility).
7. When submitting final report of change in project cost, provide an explanation or notation for:
   - final project costs which are unknown (*e.g.*, pending litigation)
   - projects which are incremental in "Use and Possession"
8. Deliverable: Reporting of Change in Project Cost includes the benchmark (original) FPAA, subsequent approved FPAA revisions, and the most recent FPAA (or Quarterly Status Report) with transmittal memo.
9. Additional explanation sheets submitted with the FPAA can be included with Change in Project Cost.

Change in Project Schedule
The purpose of this measure is to determine the percent a project changes in schedule from planning through completion. It applies to all projects that require an FPAA. This measure was incorporated into the Department's management objectives and the OPDIV Directors'

performance plans beginning in FY06. This measure applies to all line item and lump sum (R&I, M&I, etc.) projects that require HQ approval in accordance with the FPAA policy and that are active projects in FY05 or later, plus FY05 and later projects completed in FY06. The results of this measure will be included in the Q1 FY07 report.

The following procedure shall be utilized to implement this measure:

1. Projects are measured annually.
2. Project Schedule is defined as described in FPAA, block 15.
3. The original HHS approved FPAA is the benchmark for project schedule.
4. Annual reporting of this measure utilizes the current approved FPAA or the HHS Quarterly Status Report, whichever is most recent.
5. Final report of change in project schedule occurs when the project reaches "Operational" (at "Use and Possession" of a facility).
6. Deliverable: Reporting of Change in Project Schedule includes the benchmark (original) FPAA, subsequent approved FPAA revisions, and the most recent FPAA (or Quarterly Status Report) with transmittal memo.
7. Additional explanation sheets submitted with the FPAA can be included with Change in Project Schedule.

3.2.3 Leasing Acquisition Measure

The Contracting Officer for the OPDIV uses firsthand knowledge of the local commercial rental market combined with whatever benchmarks (industry standards) that are available to HHS. This body of knowledge serves to inform the Contracting Officer if the offerors are either inordinately high or inordinately low. Benchmarks, in and of themselves, do not set rental rates. Offerors likely have access to the same industry standards and benchmarks, as do Contracting Officers. Each owner (offeror) ultimately decides what his best offer is to entities seeking tenancy in the building. HHS HQ would challenge the Contracting Officer to defend the proffered rental rate if it were radically divergent from the published industry standard.

HHS uses various strategies to keep leasing costs at or below market levels include comparing lease offers to industry benchmarks, using market surveys to comparison shop for best prices, using published market sources, such as the Society of Industrial and Office Realtors (SIOR), CoSTAR and Torto Wheaton, to gain a better understanding of area markets and to ensure leasing costs are in line with the private sector market.

As HHS Contracting Officers evaluate best and final offers for a leasing transaction, the CO makes use of the various tools available including industry standards. If the offer is radically different (high or low) the CO will use such information as an evaluative tool and not as an arbiter of whether the offered rental rate is fair and reasonable. The comparison of competing offers is the best barometer of the aptness of a proposed rental rate. Contracting Officers will evaluate offers solely in accordance with the factors and sub factors stated in the solicitation for offers. Contracting Officers will evaluate prices and document the lease file to demonstrate that the proposed rental costs are fair and reasonable.

Each OPDIV is tasked to assure that OMB A11 requirements are met, including lease scoring. Further, HHS ensures that all proposed leasing transactions conform to OMB's operating lease

scoring requirements through review of lease transactions and through audits of existing leases. HHS will have a continuous effort underway to ensure that the measures it uses to evaluate offers are consistent and in compliance with all applicable laws, regulations, and guidelines.

3.2.4 Customer Satisfaction Surveys/Measures

HHS tracks user/tenant satisfaction with newly constructed assets through use of post-occupancy evaluation surveys to determine whether the constructed asset is performing as intended and to determine if the end users are satisfied with the asset (if requirements have been successfully met). These surveys are prepared on a "site by site" basis and are designed to elicit information on whether there is:

1. Efficient use of space including optimizing square footage and floor plan.
2. Sustainability in terms of
   - Efficiency of operations and maintenance,
   - Durability of finishes,
   - System flexibility, space adaptability,
   - Technologically current and adaptable,
   - Energy performance.
3. Design elements pleasing to occupants and visitors.
4. Acoustics, lighting, ventilation, thermal control.
5. Effective exterior design strategies.
6. Control of storm water.

The data gathered during the project survey is incorporated into a Post-Occupancy Evaluation Report and furnished to the OPDIV planning office and the facility manager. This survey report is for information and use in planning and constructing future health care and research facilities. Copies of the report are made available to all HHS OPDIVs, as well as to any office or committee engaged in updating design criteria for use in HHS health care and research facilities construction programs.

3.3 Acquisition Initiatives

HHS is striving to improve the delivery of capital projects within scope, within budget and on time. To accomplish this, HHS has adopted or developed specific tools to measure performance such as the Facility Project Approval Agreement, HHS Quarterly Status Report, Pre-Project Planning as a best practice, and the CII Project Definition Rating Index. In addition, HHS is encouraging the use of other industry best practices such as CII's Project Delivery and Contract Strategy (PDCS) to determine the most appropriate method of acquisition. The acquisition strategy is an integral piece of the FPAA documentation, and the updated HHS Facility Program Manual requires the submission of the actual acquisition plan as part of the project documentation.

One of the future initiatives that HHS is developing is sustainability. The Department has designated a representative to the Federal Green Building Council, and currently encourages sustainability in design and construction through energy conservation, indoor air quality, waste reduction and recycling, and high performance buildings, as outlined in the HHS Facilities Program Manual. The Department plans to establish a workgroup with OPDIV members to develop recommended sustainable practices in construction and issue a formal sustainable design policy in FY08. The Department requires value-engineering analysis, including life-cycle cost analysis, on all projects where the construction cost exceeds $1M, and requires an independent analysis by a specialized consultant or Government personnel (not the project's Architect/Engineer) on projects with a construction cost $10M or more. Design-Build as a procurement strategy is inherently a best value selection process and further value engineering would have minimal impact. Design-Build projects are exempt from the value engineering policy. As the OPDIVs report their results, the Department may choose to develop a specific initiative around using life cycle cost benefit analysis, and developing a model analysis appropriate.

CDC Global Communications Center Building 19

Section 4 Operations of Real Property

The operations phase of HHS real property assets involves making decisions regarding maintenance and reinvestment, as well as monitoring administration of leases and servicing agency needs. Critical information is needed on all assets to support operational decision-making.

4.1 HHS Real Property Inventory

HHS is implementing a software tool to collect and maintain information on its inventory' and to create executive-level reports to manage the portfolio as a whole in a cost effective manner. (This inexpensive software tool does not replace other systems in place within the OPDIVs, or systems which have more extensive functionality for facilities management.) HHS chose HarborFlex, a tool created by Lease Harbor, which is a subscription software service for the administration of leases and real property. It has been customized to meet HHS's needs with fields created to capture the FRPC data fields and additional fields that HHS has determined are needed to manage its portfolio.

The data from the four landowning OPDIVs is directly linked into Harborflex and refreshed daily. The data from the smaller OPDIVs, which do not own land, will be manually updated. There are standard reports that have been established for HHS, and that are easily run. If needed, users can also create their own report formats.

There is a computer terminal located at OFMP's office and an administrator responsible for working with HarborFlex. Because this is a web-based tool, it is easily accessible to the OPDIVs as well. OFMP will allow OPDIVs access to the system and has trained staff from all of the OPDIVs in its use.

HHS Real Property Portfolio by Occupancy Type

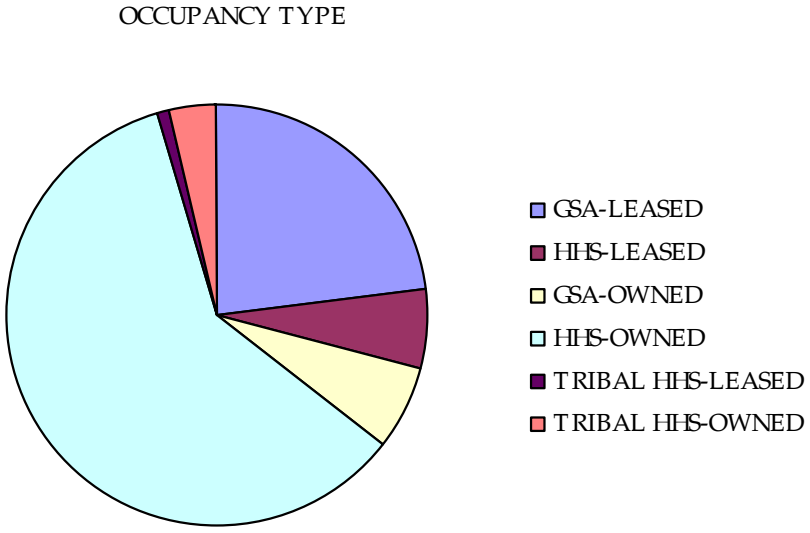
The HHS national building portfolio consists of some 3,828 constructed assets that contain over 46 million square feet (SF), with assets divided evenly between the Washington, D.C./Baltimore area and locations across the balance of the country. HHS both owns and leases property itself and occupies space owned and leased by GSA.

Table 4.1.1 Portfolio Breakdown by Occupancy Type

Occupancy Type	# of Locations	Rentable SF	% of Entire Portfolio
Lease Space			
GSA- Leased	342	10,687,162	23.07%
HHS-Leased	197	2,791,702	6.03%
Owned Space			
GSA-Owned	117	2,938,849	6.34%
HHS-Owned	179	27,818,787	60.06%
Tribally Managed			
HHS Leased	26	427,762	0.92%
HHS-Owned	29	1,656,608	3.58%
Total	800	46,320,870	100.00%

The largest category of space is property owned by HHS, due to the large holdings of NIH, CDC and IHS, which total approximately 29.4 million square feet (SF). The majority of the owned space held by NIH and CDC are the office and lab facilities located on the main campuses in Bethesda, Maryland and Atlanta, Georgia, respectively. The majority of the IHS-owned properties are the health care delivery facilities located throughout the twelve IHS administrative areas, with most of this property found in rural areas. A portion of these assets are tribally-managed, as indicated in the chart below.

Table 4.1.2 Property Breakdown by Occupancy Type



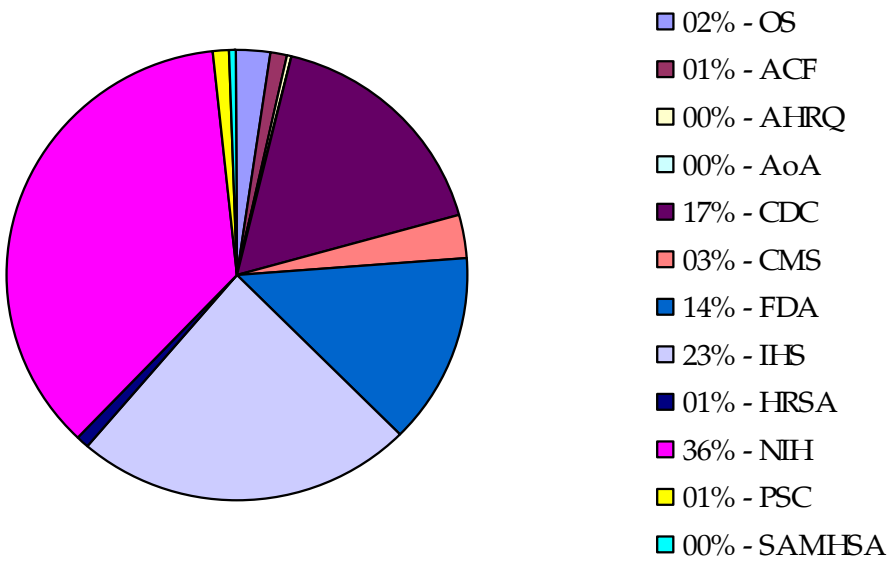
HHS Real Property Portfolio by OPDIV

The four largest property portfolios are used by NIH, IHS, CDC and FDA. Collectively, these groups occupy 41.8 million SF, or 90% of the total portfolio.

Table 4.1.3 Portfolio Breakdown by OPDIV

OPDI	# of Locations	Total Rentable SF	# of Locations	DC/Balt Rentable SF	# of Locations	National Rentable SF
OS	15	1,128,654	11	1,127,325	4	1,329
ACF	25	522,826	4	273,092	21	249,734
AHRQ	2	135,303	2	135,303	0	0
AoA	1	45,614	1	45,614	0	0
CDC	49	7,761,471	2	206,686	47	7,554,785
CMS	51	1,499,162	5	1,028,591	46	470,571
FDA	251	6,296,606	35	3,851,180	216	2,445,426
IHS	412	10,858,806	3	127,714	409	10,730,456
HRSA	3	444,151	3	444,151	0	0
NIH	50	16,882,806	42	15,482,839	8	1,399,967
PSC	30	518,088	10	418,296	20	99,792
SAMHSA	1	228,019	1	228,019	0	0
Total	890	46,320,870	119	23,368,810	771	22,952,060

Table 4.1.4 Portfolio Breakdown by OPDIV



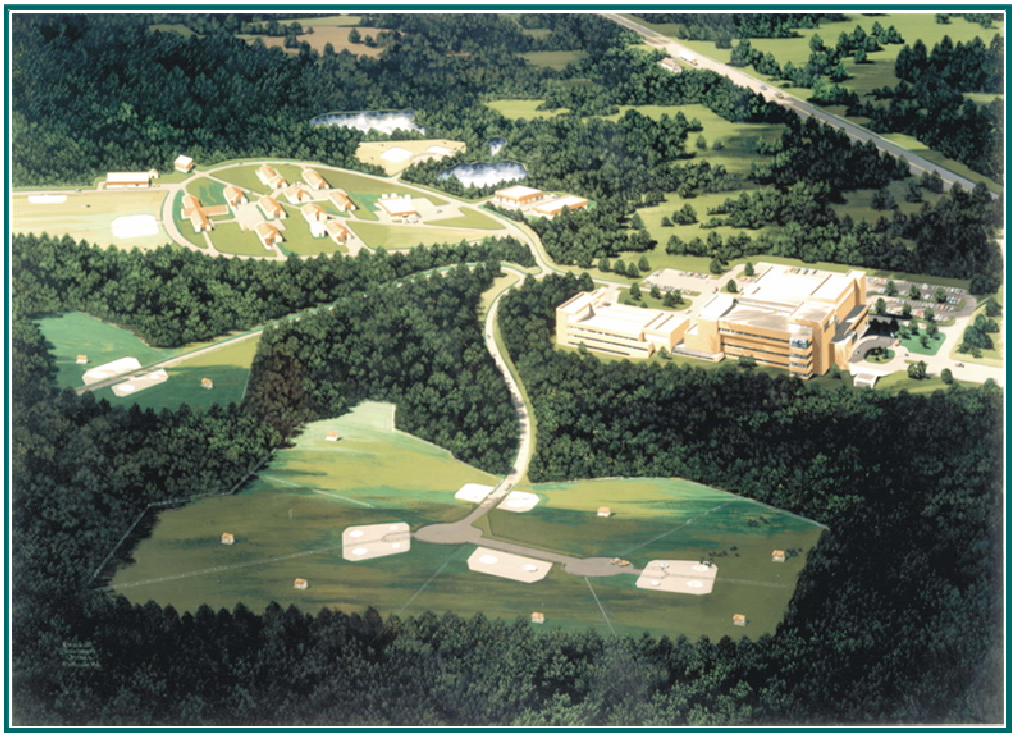
HHS Portfolio by Property Type

The largest property type for the portfolio is "Office" space, representing 37% of the total, followed by "Laboratory" space at 35%. The next two categories are roughly equal in size. These are "Other Institutional," which primarily includes IHS healthcare centers at 8.5% and "Hospital" space at 8.3%. The fifth largest property type is "Family Housing," which provides support function for Hospitals at NIH and housing for IHS employees in remote locations where service is delivered.

Table 4.1.5 Property Breakdown by Property Type

Property Type	# of Locations	Rentable SF	% of National Portfolio
Office	500	17,201,394	37.1%
Laboratories	57	16,129,821	34.8%
Hospital	45	3,846,068	8.3%
Service & Storage	174	2,283,254	4.9%
Family Housing	75	2,905,046	6.3%
Other Institutional	318	3,955,289	8.5%
	1,169	46,320,872	100.0%

Notes:
(1) Other Institutional includes: post offices, communication systems, industrial, institutional and other usage types.



FDA, Muirkirk, Laurel, Maryland

4.1.1 Historic Preservation Requirements

Executive Order 13287, Preserve America, and the National Historic Preservation Act, require each federal agency to develop a comprehensive plan to manage and maintain historic properties. HHS is in the process of improving its comprehensive historic preservation plan to ensure it will meet these historic preservation requirements, including the following:

- OPDIVs have appointed a Historic Preservation Coordinator and developed a list of historic properties and are in the process of reviewing for possible nomination to the National Register of Historic Places.

- OPDIVs are in the process of finalizing plans to assure protection of all identified historic properties that indicate actions they need to take to ensure historic preservation requirements are met. The Department will ensure these plans are in place.

- OPDIVs will prepare an Annual Report to the Headquarters of HHS. HHS will review and provide feedback to the OPDIVs on their input. HHS will develop a Department-wide report and submit the report to the Department of Interior every three years, as required.

- HHS is in the process of reviewing the entire HHS grants program and is developing grants language so as to avoid adverse impacts to historic properties by grantees. OPDIVs have been provided a due date of 2/28/06 to develop plans to include the language in their grants packages.

HHS historic preservation program management and oversight is included under the umbrella of OFMP's Real Property Management responsibilities. The duties of the Federal Preservation Officer (FPO) for HHS, as mandated by Section 110(c) of the NHPA, are assigned to an individual in OFMP. As a result, the FPO for all of HHS is integrally involved in coordination and consultation, both internally and externally on historic preservation matters. This individual provides a wide range of support to the OPDIVs and provides oversight, expertise and coordination to individuals delegated with Federal Preservation Coordinator (FPC) duties at the OPDIV level. The HHS FPO also communicates with State Historic Preservation Officers, Tribal Preservation Officers, and public and private interest groups as needed, and maintains close communications with representatives from the Advisory Council on Historic Preservation. The Department will review all OPDIV Preserve America Section 3 reports to ensure compliance with executive orders, policies and regulations.

HHS ensures historic HHS properties are protected and renovations are completed in accordance with the Secretary of Interior "Standards for Historic Properties," the National Historic Preservation Act, Executive Order 13287, Preserve America, and other applicable requirements. HHS works with external organizations for various assignments, provides advice and training to OPDIVs on all facets of historic preservation and finalizes and submits the annual archeological report.

4.1.2 Energy and Water Conservation Requirements

In Accordance with the Energy Policy Act of 1992 (EPAct) and Executive Order (EO) 13123, Greening the Government Through Efficient Energy Management, OFMP has developed a Department-wide Energy Program. Since its inception in FY 1995, the HHS Energy Program has evolved into a multi-faceted campaign aimed at achieving federal energy mandates, providing technical assistance, disseminating information on federal and private energy and water programs, promoting energy awareness, and coordinating the efforts of the ten HHS Operating Divisions (OPDIVs) and their many diverse facilities.

At the foundation of the HHS Energy Program are the following key components:

- The Department will develop the OPDIV guidelines and format for annual energy reporting requirements, including both the preliminary and final reports, as required by the Department of Energy (DOE) and Office of Management and Budget (OMB).
- The Department will summarize the OPDIV energy report submissions into the preliminary and final HHS energy reports as required by DOE and OMB.
- The Department will provide feedback to the OPDIVs on the content and scope of their energy reports, as well as the OPDIV energy and water efficiency efforts, offer advice for expanding details in the energy report and provide suggestions for energy and water programs or projects.

In addition, the HHS Energy Program includes the following:

Energy Seminar/Training

- Arrange energy seminars for HHS energy coordinators, engineers, managers, and all other employees involved in energy management. Establish the topics, arrange for the appropriate speakers, and manage all other logistics of the seminar.
- Coordinate efforts with DOE or the Environmental Protection Agency (EPA) to provide additional energy training for HHS personnel in areas such as renewable energy, Labs for the 21st Century, etc.

Energy Newsletters

- Publish the HHS Energy News each quarter. The newsletters contain articles on OPDIV energy conservation efforts, energy leaders, new technologies, recycling, federal and private energy and water programs, and tips for energy and water savings.
- Publish the HHS Energy Manager's News biannually. The newsletters contain articles on energy and water conservation efforts at HHS facilities or other federal sites, new technologies, federal or private efficiency programs, and current energy and water efficiency efforts.

Awareness Events

- Organize awareness events for Earth Day and October Energy Awareness Month for the HHS headquarters building or other facility to be named. Events promote the HHS Energy Program, workplace and home energy and water conservation, and environmental awareness.
- Coordinate and promote efforts of the OPDIVs to hold Earth Day and October Energy Awareness Month activities.

- Provide details on the HHS awareness activities to DOE Federal Energy Management Program (FEMP) through newsletter articles and reports.
- Manage the "You Have the Power" campaign activities and efforts between HHS facilities and DOE FEMP.

Large Scale Energy or Water Efficiency Projects

- Perform or assist in the implementation of large scale energy or water efficiency projects. The projects may include, but are not limited to, renewable energy systems, heat recovery technologies, water conservation projects, or HHS Energy Program web-site development.

  Awards Programs
- Manage the HHS Energy and Water Management Awards program. This task includes updating nomination guidelines and award criteria, promoting the program and encouraging nominations, reviewing nominations and selecting winners, and planning the annual awards ceremony.

Executive Order 13123 Compliance

- Work with the OPDIVs to meet requirements of the Executive Order (EO) and establish compliance with initiatives and programs, as applicable.
- Ensure compliance with the EO for the HHS agency as a whole.

Miscellaneous Reports/Memos

- Write miscellaneous reports on HHS energy and water efficiency efforts as required by DOE, OMB, Congress, the Senate, or others.
- Write memos as required on current event topics, efficiency programs, or specific initiatives.

OPDIV Energy Measurements

- The land-holding OPDIVs are required to submit annual energy reports to the Department by mid-November. These reports are reviewed by the Department and energy measurement charts are developed that compares energy consumption at several different levels. The Department consolidates these reports into a HHS-wide report for submission to DOE.
- Each land-holding OPDIV is required to submit an energy scorecard with their annual reports, based on the scorecard that agencies are required to submit to OMB. The Department will evaluate those scorecards and use as one of the measurement tools of the OPDIVs efforts.
- Provide consulting services, both technical and administrative, to the OPDIVs on all aspects of the HHS Energy Program, technical projects, federal or private conservation programs, performance contracting, energy awareness, and EO 13123 compliance.

4.2 Asset Documentation

The HHS asset documentation program (ADP) activities are designed to provide information and technical consultation to land-holding OPDIVs on control and management of realty assets/land and fixed improvements under the administrative jurisdiction of the Department. ADP also provides guidelines and procedures for the acquisition, utilization, and disposal of owned and leased realty assets. It is the policy of the Department to develop, establish, assess, improve, correct, and report on the effective and economical management and utilization of OPDIV-held realty. HHS requires land-holding OPDIVs to maintain key documentation for all real property assets in a local file that includes a map, a copy of the title, a metes and bounds survey, a legal description of the property, documented environmental liabilities, historic significance, an Americans with Disabilities Act (ADA) survey, documented fire life safety issues, as built or CAD drawings, and a housing plan showing the tenants within the asset or facility. This information is in electronic or hard copy formats depending on the age of the facility. Although HHS maintains this documentation for its assets, it is often not in one centralized location. However, during, FY2006, OFMP will develop uniform standards for documentation and filing for its inventory of owned assets.

CDC Environmental Toxicology Lab, Building 110

Several laws enacted by Congress require a new level of coordination between an agency's real property inventory (RPI) and the overall financial records of the federal agency. These laws are the Chief Financial Officers Act of 1990, P.L. 101-576, and the Federal Financial Management Act of 1994, P.L. 103-356. As a result of these Acts, the Federal Accounting Standards Advisory Board developed Standard 6 – Accounting for Property, Plant and Equipment (FASAB No. 6). This standard directs how federal agencies will track realty assets including those acquired through capital leases and leasehold improvements in its RPI and requires the reconciliation of these inventories (subsidiary ledger accounts) with the agency's general financial statements.

OFMP is responsible for the planning, coordinating and evaluation of HHS realty management and accountability activities. The HHS Automated Real Property Information System (ARIS) contains all accountable data for HHS-held facilities. The ARIS is a subsidiary financial ledger to the HHS general ledger that documents all asset values for land and fixed improvements. The ledger also includes actions involving acquisitions, improvements, transfers and disposal. Asset documentation is also contained in the HHS Asset Management Building Block, which looks at the facility's life cycle.

4.3 HHS Asset Management Building Block

Each owned HHS site is considered a "building block" for portfolio management purposes and every site of two independent buildings or more must have a Facility Master Plan, developed in

accordance with Volume I of the HHS Facilities Program Manual. This Facility Master Plan is the Building Block Asset Management Plan for multiple-building sites. For sites occupied by only one building, that constructed asset is the "building block" for asset business planning. Thus, when the Capital Investment Plans and Operations and Maintenance Annual Work Plans are developed for an OPDIV, they are developed first by site (building block), and then integrated into an overall plan for the OPDIV through the HHS asset planning and budget process.

Through the web-based software tool Harborflex and the ARIS, which HHS uses to track its portfolio data, HHS has created a report for constructed assets with a replacement value in excess of $500,000. This is used as a tool by agency real property personnel to maintain information about a particular asset and to outline the current performance and expenses for that asset to feed into the asset planning and budget process. A sample individual constructed asset report (CAR) is shown in Attachment 5. The format is a work in progress and will be assessed after the first year to assure its utility in managing HHS assets. It contains a rollup of all FRPC metrics and will be used to provide a snapshot of the complete picture for the asset and its performance against HHS goals, at first primarily the Facility Condition Index and Utilization Index.

OPDIVs will update data annually as part of the planning and budget process. This CAR is currently in the implementation stage, and HHS plans to use it for capital planning and reporting purposes at both the OPDIV and headquarters levels. It is necessary for the OPDIVs to develop their annual work plans in order to be able to populate the CAR. Annual Work Plans (AWPs) are a new requirement being placed on OPDIVs in our "three year timeline" and HHS will enter an AWP cycle for the FY08 budget cycle in order to have data available in late 2006. The HHS RAMP will contain a sample CAR. The CAR for any specific asset will be available through an ARIS query.

The CAR is a report at the constructed asset level, which includes fields with the following information:

- Building Number
- Building Name
- Location
- Replacement Value
- FRPC Metrics on FCI, Operating Costs, Utilization and Mission Dependency
- 5-Year Capital Investment Plan for Major Repair, Renovation, or Replacement
- Annual Operating Budget
- Operations-funded Maintenance and Repair projects
- Historic Preservation Status

4.4 Periodic Evaluation of Assets

HHS performs periodic evaluation of its real property assets by using government-wide measures as well as other agency specific measures designed to monitor performance in utilization, financial performance, physical condition, and operational efficiency. HHS also has several key performance measures designed to track financial performance. HHS examines its operating

expenses on a facility-by-facility basis. HHS uses the Facility Condition Index (FCI) and a goal of 2-4% of the functional replacement value (FRV) for reinvestment.

In the last phase of the asset's life cycle, HHS tracks the cycle time for disposal. HHS also uses a measure of projected disposals versus actual to ensure that underutilized assets are quickly redeployed from the inventory.

As fiduciary agents, HHS performs cyclical evaluations of its real property assets on a one-to-five-year basis. The evaluation cycles are determined based on the criticality of the facilities, significant events from weather or incidents, and the overall condition indexes. HHS tracks the value of its assets in several ways. HHS tracks Functional Replacement Value and Book Value as indications of the relative value of the portfolio. All FRPC performance measures will be updated annually. The Condition Index measure will be updated once every five years (at a minimum) by way of a visual assessment of the facility. For each of the remaining four years of the five-year cycle Condition Index will be calculated by way of a desk-top analysis based on such information as age of the facility, actual repair costs, current replacement value, etc.

The assessment process begins with determining what elements of a facility need to be evaluated. Elements include above and below-grade physical systems (*e.g.*, architectural, civil, mechanical, electrical), as well as other parameters such as space utilization, air quality, code compliance and esthetic parameters. The steps associated with a typical evaluation are provided in Attachment 6. A facility's total score (*e.g.*, poor, fair, good), is a function of the minimum threshold for deficiencies, what priorities were assigned to the deficiencies and the range of the grading scale. HHS is in the process of developing policy that will standardize the assessment process across HHS. This policy will be published June 2006, in Volume II of the HHS Facilities Program Manual

HHS tracks performance indicators described in this plan for its portfolio of assets and for each individual asset. Current performance is compared against performance goals from private sector benchmarks, previously established performance criteria, or individual performance measure goals.

HHS uses the data from these assessments to update Asset Management Building Blocks and facility management strategies. A key element determined from these assessments is "Facility Condition Index" (FCI). The goal of HHS is to achieve a reasonable, consistent condition index over time across its portfolio of assets, to invest in its portfolio to sustain assets to a prudent life-cycle and to operate assets on a cost per square foot basis that mirrors industry standards. Facility condition index, along with other inventory elements of operating cost, utilization rates and mission dependency of a facility, provide the data points necessary to gauge operations and sustainment trends and to drive Capital Improvement and Operations and Maintenance investment strategies. Emphasis will be placed on improving the FCI of mission-critical facilities at a faster pace than less critical facilities, and at a higher index. Investments in sustainment-type projects will be adjusted, up or down, to track to a prudent life-cycle curve. Actual operations and maintenance costs will be compared to industry standards to assist in Capital Improvement decisions, and to determine where/when to apply best business practices in lieu of renovating, replacing or abandoning a facility.

HHS will provide OPDIV-specific investment strategy guidance in the form of pre-budget guidance that will be issued in January, 2006. OPDIVs will translate this guidance into Asset Management Building Blocks, which are used to develop OPDIV budgets that are submitted in June of each year. The budget submissions will be reviewed to ensure alignment with pre-budget guidance and consideration of any emergent requirements and necessary mitigations. The Asset Management Building Blocks will be included as input at all levels of the HHS process described in Section 3 of this document. Thus they will be considered by OPDIV managers and various levels at HHS Headquarters. They are also considered by energy managers and other OPDIV personnel responsible for leadership and management in specific functional areas. The strategy then becomes the basis for formulating the annual operating budget and capital reinvestment plan.

4.4.1 Mission Dependency

HHS measures the "mission dependency" of each of its real property assets. The purpose of this measure is to determine the value an asset brings to the performance of the mission, as determined by the OPDIV in the categories of Mission Critical, Mission Dependent – Not Critical, and Not Mission Dependent.

Mission dependency applies to each facility for each OPDIV. The applicability of this metric extends to all properties leased and/or owned and operated by the OPDIV.

Each OPDIV is responsible for the following to assure appropriate implementation:

1. Each OPDIV will begin testing for full implementation by Q1 FY06. To test the measure, each OPDIV will apply the measure to 100 percent of the facilities in its inventory by Q1 FY06. Reporting will be part of the testing process for metric applicability purposes.
2. Each land-holding OPDIV will utilize an electronic asset inventory system that feeds into the HarborFlex system. The OPDIV is to ensure that the inventory system has a data field called "Mission Dependency," allowing for the input of one of the Mission Critical letter designations identified in the procedures below. Additionally, a text field must be provided for use in providing an explanation for any assets designated as Not Mission Dependent. The OPDIVs will ensure this system is coordinated with HHS prior to implementation.

When full implementation begins, the OPDIVs will utilize the following procedure:

1. Each OPDIV will initially evaluate the functions within each of its assets and place each of the assets in one of the following categories:

   Mission Critical - Space or facilities that house activities such as health and social science research; preventing disease, including immunization services; assuring food and drug safety; Medicare (health insurance for elderly and disabled Americans) and Medicaid (health insurance for low-income people); health information technology; financial assistance and services for low-income families; improving maternal and infant health; Head Start (pre-school education

and services); faith-based and community initiatives; preventing child abuse and domestic violence; substance abuse treatment and prevention; services for older Americans, including home-delivered meals; comprehensive health services for Native Americans; and medical preparedness for emergencies, including potential terrorism are mission critical.

Mission Dependent - Space and facilities that support the above mentioned activities are mission dependent.

Not Mission Dependent - Mission is unaffected by the elimination of the constructed asset.

2. Each asset will receive only one category designation. Where there are multiple functions for a facility, then the highest applicable mission dependency category should be utilized.

3. The evaluation will be based on the facilities function under normal operations, not a catastrophic scenario.

4. The initial categorization for each asset will be entered into the OPDIV's asset inventory system using the following designations:
   - Mission Critical
   - Mission Dependent
   - Not Mission Dependent.

5. Where any asset is designated as N (Not Mission Dependent), the OPDIV will complete the text field to provide the explanation for this designation. OPDIVs are generally utilizing assets for work that is important to their missions. Identifying a property as *Not Mission Dependent* will lead to an assessment of the property and its use.

6. On an annual basis in the first quarter of each fiscal year, the OPDIV will review the asset categorizations and update the asset inventory system with any changes. This information is the initial flag for the OPDIV to consider whether or not the real property asset should be retained or a plan of disposal developed. A 'Not Mission Dependent' categorization triggers a detailed analysis of the property function and utilization and its link to the overall mission. If analysis shows the asset should be retained, re-categorization may be appropriate. If not, a decision is made by the OPDIV Director as to whether the building use should be reevaluated or if a proposal is to be forwarded to the HHS Senior Real Property Officer for an assessment of other Departmental need for the property or to initiate disposal actions.

   In developing proposed projects and monitoring existing facilities, the categorization of the facilities will be used to determine the highest priorities at the OPDIV level. Submittals to the Department will reflect these priorities in the OPDIV's Annual Facilities Plan.

FDA Jefferson Labs, Arkansas

4.4.2 Facility Condition Assessment Performance Measures

HHS uses various metrics to assess the physical condition of its facilities and the reliability of associated data. Mandatory metrics are *Facility Condition Index (FCI)* and *Backlog of Maintenance and Repair (BMAR).* Optional "best practices" metrics include *Assessment Freshness Index (AFI), Inventory Quality Index (IQI) and Sustainment Rate (SR).* Each is described below.

Facility Condition Index (FCI)

The HHS definition for FCI is based on FASAB Standard Number 6 (1996), as reported in Federal Facilities Council Technical Report No.141: Deferred Maintenance Reporting for Federal Facilities, 2001.

FCI is the ratio of repair needs (including BMAR) to asset value and, when multiplied by 100, is expressed as a figure where high values indicate better condition (with 100 being the best condition). 'Repair need' is a response to deferred maintenance (i.e.: maintenance that was not performed when it should have been or was scheduled to be and which, therefore, is put off or delayed for a future period). 'Asset value' is defined as "plant replacement value" (*i.e.* cost in current dollars to replace existing facility with new construction supporting existing functions).

FCI is to be applied to each HHS owned and operated facility. All four HHS land-holding OPDIVs already use a form of FCI. HHS effort is underway to standardize the calculation of FCI and its associated thresholds. OPDIV specific implementation strategies are being developed and will be "operationalized" by August 2006 so that resultant data and benchmarks are available in time for HHS pre-budget guidance to OPDIVs for the FY09 budget build. Existing data collected in FY05, and notional benchmarks to be established 1Q06, will be used by HHS to develop pre-budget guidance to the OPDIV's for their FY08 budget build. The implementation of FCI, the facility assessment program that feeds it and its link to the investment decisions that flow from it are considered to be evolutionary in nature. The more

budgets that are built with an eye on FCI, the more refined the facility assessment process will become, the more knowledgeable of their inventory HHS and OPDIVs will become, leading to a more effective allocation of resources.

Each OPDIV is responsible for the following to assure appropriate implementation:

1. Each land-holding OPDIV will, by mid-year 2006, begin moving towards a standardized assessment program (as is the process being jointly established by HHS and the OPDIVs) to identify facility system and component renewal projects that need to be completed within any given year, and to calculate and report FCI (in accordance with the standardized program being jointly developed).
2. Each OPDIV will record FCI in their local electronic asset inventory system. HHS does not require a specific system, only that the system is capable of exporting FCI values to the HHS Automated Real Property Information System. OPDIVs and HHS have coordinated systems in conjunction with HHS implementation of ARIS.
3. Annually, in the last quarter of each fiscal year, the OPDIV will update their facility assessment information, calculate FCIs and export FCIs to ARIS. HHS will use this information to develop pre-budget guidance for FY+2. Pre-budget guidance will be provided each January. OPDIVs will use this guidance to prepare their June budget submit for FY+2. HHS will review and approve budgets in late June.

Backlog of Maintenance and Repair (BMAR)

Land-holding OPDIVs use BMAR as a mandatory facility condition metric. BMAR indicates the level of repair and maintenance that was not performed when scheduled and that was delayed until a future time. BMAR is an indicator of potential shortening of the useful life of facilities and likely increase of long-term maintenance and repair costs. BMAR is a useful data point at the OPDIV level in the development of its budget submission. HHS does not use BMAR in the development of pre-budget guidance to OPDIVs since FCI provides sufficient macro-level visibility into whether an OPDIV's facilities are deteriorating, improving or remaining the same.

Federal Accounting Standards Advisory Board (FASAB) Standard No. 6, as amended, requires federal agencies to annually report their total dollar amount of deferred maintenance. The FASAB standard defines deferred maintenance as "maintenance that was not performed when it should have been or was scheduled to be and which, therefore, is put off or delayed for a future period" (FASAB, 1996). HHS collects and reports BMAR as an independent, once-a-year effort, as opposed to requiring OPDIVs to export BMAR data to ARIS. There is no value in OPDIVs exporting BMAR to ARIS, when HHS relies on FCI as a macro-level indicator of an OPDIV's asset management performance.

To calculate deferred maintenance, HHS land-holding OPDIVs and components, through condition assessments, systematically itemize and estimate costs for facility system level, non-routine repair requirements. These costs are then aggregated and prioritized at the OPDIV level. BMAR requirements drive OPDIV asset-based strategies/decisions, which in turn drive budget submissions. Funding is sought for these requirements through a variety of methods and appropriations. As agencies do not necessarily obtain sufficient funds to address all the

maintenance and repair requirements, BMAR indicates the shortfall in funding required to raise overall condition levels to an acceptable target standard and is compared to the asset replacement value to calculate the Facility Condition Index. It is Condition Index that HHS may monitor for internal scorecard and performance evaluation purposes.

Each OPDIV or other HHS component is responsible for the following to assure appropriate implementation:

1. Each land-holding OPDIV will begin implementing an annual assessment process consisting of an OPDIV-specific combination of strategic ("desk-top") and tactical ("visual") assessment methods. These methods will identify repair and maintenance projects for each HHS owned and operated facility that need to be completed within any given year. The combination of methods will be a function of OPDIV resources, with no facility going longer than five years without a visual inspection.
2. Each land-holding OPDIV utilizes an electronic asset inventory data processing system, such as Microsoft Access database. HHS does not require a specific system, only that the system is capable of automatically totaling, storing and reporting BMAR values (among other data points). OPDIVs and HHS have coordinated systems in conjunction with the implementation of the HHS ARIS. Data in OPDIV systems is exportable to ARIS, (although for reasons as previously discussed, BMAR is not one of the exported items).
3. Annually, in the last quarter of each fiscal year, the OPDIV will update their assessment information, review their BMAR figures, assess BMAR driving factors and associated risk, adjust their asset-specific strategies and prepare their budget submission so as to meet or exceed FCI objectives over time.

4.5 Operations and Maintenance Plan

HHS intends to improve Operations & Maintenance (O&M) resource planning by linking O&M requirements to the budget-decision making process. O&M planning is a key sub-element of OPDIV Asset Business Plans (ABPs), which feed budget submissions. Other sub-elements of ABPs include Capital Improvement plans, Environmental plans, Safety plans, and Cultural Resource plans. By closely monitoring Facility Condition Index, with an eye on other indicators such as Operations Cost, Utilization and Mission Dependency, HHS will develop pre-budget guidance each January to better align OPDIV O&M investment plans and strategies with HHS "portfolio" goals and objectives. Additionally, the HHS portfolio management approach will drive O&M costs towards industry standards/common benchmarks, which in turn will aid in applying lessons-learned and best business practices across OPDIVs. In late September 2005 OFMP added a Senior Staff Engineer to review facility metrics, to analyze trends and anomalies and to translate such analysis into OPDIV-specific pre-budget guidance.

4.5.1 Consideration of Socio-Economic Responsibilities - Environmental Management Plan

EO 13327 requires each agency to develop an asset management planning process and associated plan, which encompasses many different program areas. Environmental quality and compliance is one of those areas of socio-economic consideration. The Department has found that the Environmental Management System (EMS) model outlined in EO 13148: Planning, Implementing, Monitoring/Measuring, Management Review and Continual Improvement feeds

into the overall business model required by EO 13327, improvement of real property asset management. The EMS is a business management practice, which allows an organization to strategically address a particular set of issues. System implementation reflects accepted quality management principles based on the "Plan, Do, Check, Act," model, using a standard process to identify goals; implement these goals; determine progress and make improvements to ensure continual improvement.

The management system's elements include:

- A Policy that is endorsed by top management and states the organization's commitments.
- Planning activities by identifying issues and related legal and other requirements; and, developing objectives and targets to control and improve performance related to these issues.
- Implementing activities and operations, including training and documentation, to achieve the objectives and maintain control over issues.
- Monitoring and measuring the status of relevant parameters, status of objectives and targets and the stability of the system itself, and providing procedures for corrective action in cases where data indicate non-conformance.
- Management review of information for action, including enhancing the system towards the goal of continual improvement.

The Department fully supports the implementation of EMSs at our landholding OPDIVs (CDC, FDA, IHS and NIH) appropriate facilities and has published several policy directives mandating EMS implementation. A total of 18 appropriate facilities have been identified. EMSs are currently being developed at several locations. EMS will be implemented in varying stages by several facilities by December 31, 2005. Progress regarding the degree to which OPDIVs have accomplished EMS implementation will be reported to EPA in the required annual report in the spring of 2006. Landholding OPDIVs are also incorporating their EMSs into their real property management plan. The Department participates in the interagency EO 13148 workgroup, which is developing EMS performance metrics. Once finalized, these metrics will be applied to all appropriate facilities EMSs. Performance against these metrics will be included in the annual EO 13148 report to EPA. The Office of the Federal Environmental Executive (OFEE) and EPA outline the implementation metrics which agencies must meet annually. We respond to these metrics via the annual EO 13148 report. From that report, EPA produces a scorecard identifying how well both the Department and the agencies have met the implementation metrics.

The Department's current and near term actions in supporting this plan includes:

- Complete mandated reports.
- Conduct gap analysis to identify gaps and make recommendations for corrective action.
- Recently filled a GS-028/819-14 position, so work can begin to correct actions identified in gap analysis.
- Provide training or workshops to OPDIV environmental personnel regarding EMS, its purpose, elements and benefits.
- Develop an EMS Audit Strategy and plans for auditing appropriate facilities. OPDIVs will review their EMSs at least once annually and will also perform audits.

4.6 Routine Maintenance and Minor Repair Needs

The HHS operating budget request and OPDIV annual operating appropriation consists in part of operating funds specifically allocated for maintenance and associated minor repairs of existing facilities. This process is monitored by the HHS Senior Real Property Officer using FCI metrics. Routine maintenance is defined as recurring work to keep a real property asset in a useable state or condition, and may include replacement of constituent parts, materials or equipment, inspection, adjustment, cleaning, resurfacing, etc. This may include salaries, service or maintenance contracts, and equipment and stock items. Minor repairs are defined as those repairs incidental to routine maintenance and of lesser value than the maintenance work; for example replacing a limited amount of sheathing as part of resurfacing a roof. Annual operating appropriations include funds, which should be sufficient to perform routine maintenance and minor repairs. Unless otherwise identified in an appropriation, OPDIVs are to perform routine maintenance and minor repair of existing facilities, including related engineering and inspection services, with annual operating funds.

Routine maintenance and minor repair projects are not subject to the $3,000,000 threshold requiring ASAM approval under the Capital Investment Review Board policy. Routine maintenance and minor repair projects do not add value to the underlying real property asset. This work does not require review or approval by the Department. The OPDIVs are responsible for determining the requirements for routine maintenance and minor repairs of existing facilities, identifying priorities as needed, and requesting funding through the budget process, to satisfy facility stewardship requirements (i.e. FCI) when a guideline is set by the Department.

4.6.1 Additional Actions to Improve Routine Maintenance and Minor Repair

OS under the leadership of the HHS Senior Real Property Officer will improve routine maintenance and minor repair by: convening a working group of OPDIV representatives to discuss strengths, weaknesses, threats, opportunities and objectives and develop a prioritized short list of best practices to consider, and come to a consensus as to the estimated savings that best practices may yield (*e.g.* 3%-5% of total operating cost); develop notional implementation strategies and better estimate potential costs and savings; assess need for contractor support; OFMP will evaluate progress against strategy as part of Facilities Scorecard review; and OFMP will assess lessons-learned relative to best business practice strategies and issue pre-budget O&M guidance annually.

4.7 Capital and Operating Resource Requirements

HHS has multiple appropriations from which operating expenses are funded. Expenses include all of the contract costs for leases and operating expenses in the O&M Plan for facilities/assets such as cleaning, maintenance, and utilities. It also includes additional contractual obligations for purchase contracts and all overhead items such as salaries, training, travel, IT, and other contracts necessary to help HHS run its business. The head of each OPDIV is responsible for the development of the Agency Annual Facilities Plan that identifies capital and operating resource requirements. Each Plan is developed jointly by the agency's program planning, budget, environmental, and facilities staffs and should include all facilities projects that will be requested in the forthcoming annual budget process. OPDIVs are encouraged to submit Annual Facilities Plans that show all requirements, regardless of anticipation of funding.

4.8 Operations Performance Measures and Continuous Monitoring

HHS utilizes performance measures to track the effectiveness of its operations phase of its asset management. The measures include; Condition Index, Utilization Index, Operating Cost, and Mission Dependency. These measures are consistent with the Council's First Tier Measures for operations.

4.8.1 Federal Real Property Council Measures

Condition Index

"HHS uses the Facility Condition Index (as described in Section 4.4.1) for owned assets." Condition surveys are performed on a recurring basis to help quantify the maintenance and repair needs of the facility. These needs are then compared to the current Replacement Value of the facility. This process is fully integrated into the operations at NIH, IHS and CDC for owned buildings. The condition survey and replacement value of facilities is being integrated into the operations of FDA and should be fully functioning when the three-year cycle is completed in 2008. HHS is working toward full integration of the condition index.

HHS is not responsible for the condition of any facilities that HHS commercially leases directly. HHS is responsible for operations and maintenance of the Humphrey Building, a GSA-owned space. HHS reports annual operating costs to GSA.

GSA is responsible for determining and reporting other FRPC metrics. HHS and its OPDIVs are working to develop a scale relative to condition index scale so as to link condition index to the budget decision-making process. The goal for the OPDIVs will be to achieve, over time, a minimum condition index for their portfolio of assets. The value of repair needs associated with the actual condition index will be compared to the value of the repair needs associated with the target index. Investment strategies will be developed to close the gap over time. Mission criticality, utilization and operating cost are all used in the development of the annual facilities program and are considered in the prioritization of budget request. HHS budget guidance to the OPDIVs in the spring of 2006 will include further guidance on the use of these measures to strategically manage our assets.

Facility Utilization Index

HHS tracks utilization of its five major property types in conformance with FRPC guidance. HHS has provided guidance to the OPDIVs for reporting facility utilization. The information is reported and kept current in the Automated Real Property Information System. HHS utilizes a Facilities Utilization Performance Measure to determine the extent of facilities utilization in five major property types occupied by HHS. The performance measure applies to each HHS office, warehouse, laboratory, hospital and residence (as defined by the Federal Real Property Council). Applicability extends to all properties leased and/or owned and operated by HHS, but not properties owned by the HHS and operated by others, such as the IHS properties operated by tribes.

For office space, HHS employs its pre-existing office space utilization rate and requires that OPDIVs prepare an annual census of employees for calculating the measure. The pre-existing rate was determined in 2003 when HHS set a policy for Office and Related Space Utilization

Rate, in accordance with 41 CFR Part 102-79, titled "Assignment and Utilization of Space", which required agencies to promote maximum utilization of space, consistent with mission requirements, to maximize its value to the government. HHS set a policy that the maximum space allowable for planning and occupancy purposes was 215 usable square feet per person.

For warehouse space, HHS compares its warehouse use to the design capacity (in usable square feet) of the facility to use as the basis of its measurement. If there are assets for which design capacity is unknown, the OPDIVs will determine design capacity through such means as engaging an architectural firm to provide the data.

HHS determines its utilization of its hospitals by comparing Patient Load data to the number of fully staffed beds at each hospital. "Fully staffed beds" equals the number of staff required to care for each bed annually.

OPDIVs will report on the utilization of labs as "utilized" if the space is assigned and occupied with staff, equipment, instrumentation and specimens.

Each OPDIV or other HHS component is responsible for the following to assure appropriate implementation:

1. Each OPDIV or HHS component will begin testing for full implementation by Q1 FY06. Each OPDIV or other HHS component will test 100% percent of its relevant portfolio using this measure by Q1 FY06. Reporting will be part of the testing process for metric applicability purposes.
2. Each OPDIV or HHS component will utilize an electronic asset inventory system. The OPDIV or HHS component is to ensure that the inventory system has data fields for the relevant property types and for the categories "Over Utilized, Utilized, Under Utilized and "Not Utilized," allowing for the input of one of the Facilities Utilization letter designations identified in the procedures below. The OPDIV or HHS component will ensure this system is coordinated with OFMP prior to implementation.

When full implementation begins, each OPDIV or HHS component will follow the procedures below to determine the utilization of each property type as Over Utilized, Utilized, Underutilized or Not Utilized, in accordance with the table below.

Rate	Office	Warehouse	Hospital	Laboratory	Housing
Over Utilized	>95%	>85%	>95%	>85%	N/A
Utilized	75-95%	50-85%	70-95%	60-85%	85-100%
Under Utilized	<75%	10-50%	25-70%	30-60%	<85%
Not Utilized	N/A	<10%	<25%	<30%	N/A

OFFICE
One employee/ 215 usable square feet, following the existing HHS policy.

FDA WEAC Facility – Winchester, Massachusetts

Each OPDIV will base its measurement on an annual census taken as of May 15 of each year. The census will count each staff person who both holds an HHS (or OPDIV) ID and occupies HHS (OPDIV) facilities. "Staff" includes HHS (OPDIV) employees (FTEs), contractors, guest researchers, research fellows, tenants (such as day care centers and retail spaces) and volunteers. No distinction is made between part-time and full-time employees, each of whom is counted as a whole number. The census counts people in all facilities, leased or owned.

WAREHOUSE
Each OPDIV or HHS component will compare its warehouse use to the design capacity (in usable square feet) of the facility to use as the basis of its measurement. If there are assets for which design capacity is unknown, the OPDIVs or HHS component will determine design capacity through such means as engaging an architectural firm to provide the data.

HOSPITAL
The Indian Health Service will determine its utilization of its hospitals, including the inpatient and clinic components of the hospitals, by comparing Patient Load design capacity to the number of patient visits in a given year.

LABORATORIES
OPDIVs will report on the utilization of labs as "utilized", if the space is assigned and occupied with staff, equipment, instrumentation, and specimens.

HOUSING
The percent that individual units are occupied will be measured through a review of the annual reports on utilization prepared by property managers.

The initial categorization for each facility will be entered into the OPDIV's or other HHS component's asset inventory system using the following designations:

O Over utilized
U Utilized
N Underutilized
V Not Utilized

On an annual basis in the last quarter of each fiscal year, the OPDIV will review the facility categorizations and update the asset inventory system with any changes.

Operating Costs

In accordance with FRPC guidance, HHS developed and is implementing an operating cost measure which captures annual operating cost (recurring maintenance and repair, utilities, custodial and grounds) at the constructed asset level. HHS has provided guidance to the OPDIVs for reporting operating costs (Attachment 7). The information is reported and kept current in the Automated Real Property Information System.

Mission Dependency

HHS requires that all OPDIVs and components provide an annual categorization of all assets into FRPC standard categories of Mission Critical, Mission Dependent and Not Mission Dependent and has provided guidance for making this determination. The measure is recorded and kept current in the Automated Real Property Information System. (See Section 4.4.1).

4.8.2 Agency Specific Measures

(See Section 4.4.2)

4.9 Operations Initiatives

HHS is pursuing several initiatives to enhance the operation and management of its real estate portfolio. The major steps involved in creating the RAMP include:

1. Compiling a inventory of accurate and complete data regarding the HHS portfolio to insure that the FRPC developed metrics are being applied against accurate data ,
2. Assessing the space needs of HHS and its Operating Divisions (OPDIV) to better determine whether the agency assets are being optimally utilized, and
3. Outlining a Tactical Real Property Plan (Attachment 8) for real estate activity for the next five-year period, defined as the period through December 2010, to provide better management and oversight of agency real property assets.

Related activities include the following:

1. HHS developed performance measures to use in managing its portfolio. The measures include Mission Dependency, Utilization, Facility Conditions (Facility Condition Index and Backlog of Maintenance Repair) and Operating Expenses. HHS also developed some measures pertaining to construction projects, including Change in Project Scope, Change in Project Cost, and Change in Project Schedule.

2. HHS has implemented a software tool – HarborFlex -- for executive reporting purposes. The software will enable the HHS Office of Facilities Management and Planning (OFMP) to mine real estate data from the OPDIV systems for portfolio planning, measuring performance and budgeting purposes. In addition to the FRPC-required fields, HHS has added fields that it will use to manage the portfolio, including, among other fields, information to populate the Asset Management Building Block.

HHS has made significant progress in completing the key steps and related activities for the RAMP. These include the following:

1. A data inventory was compiled;
2. Real estate market research was completed for various property types and for the major markets and sub-markets in which HHS is located in order to project leased space costs over the planning period and to analyze various housing scenarios;
3. Portfolio data was segmented to analyze it geographically, by HHS component and by ownership type (HHS-owned, HHS-leased, GSA-owned, and GSA-leased);
4. Scenarios were created and analyzed to evaluate housing options that included leased space versus construction of new owned space. HHS intends to use these scenarios in shaping its plan for the pending budget year cycle (FY08) and beyond;
5. Scenarios were created and analyzed to determine the most effective way of housing those HHS components that need leased space, including scenarios that address co-location of some OPDIVs. HHS will use these scenarios in developing a plan and prospectuses for leased space, which will be done in tandem with the capital plan noted above; and
6. A template for the tactical plan was prepared and will be fully populated as soon as HHS selects its preferred housing options from the scenarios analyzed. This may include some restructuring of the leased and owned portfolios to achieve cost savings. Selected strategies will be presented to the Board. The board will accept those strategies it wants to pursue in time for them to be reflected in the FY08 Budget call guidance.

Section 5 Disposal of Unneeded Real Property

5.1 Tools to Support Decision-making

5.1.1 Facilities Utilization Performance Measure

The primary tools relied upon by HHS in decision-making concerning asset disposal issues is a "Retention/Disposal" Analysis. This analysis is supplemented by the Facilities Utilization Performance Measures contained in Section 4.8.1 of this RAMP. The "Retention/Disposal" analysis considers such factors as:

- Current and long term HHS mission needs;
- Considerations and planning objections of the local community;
- Stewardship issues such as historic preservation requirements;
- Available alternative housing solutions; and
- Costs associated with retaining and operating the existing facility versus acquiring a replacement facility and disposing of the asset.

FDA Warehouse, Davisville, Rhode Island

In addition to the above described tools and analysis, HHS evaluates the environmental and safety impacts associated with asset disposition. The closure requirements of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) and the Resource Conservation and Recovery Act (RCRA), are addressed. Environmental documentation that is prepared, at a minimum, includes the following:

- *Environmental Baseline Survey* (EBS) – The EBS is an environmental "due diligence" that reviews the operational history of the real property to identify potential environmental issues including, but not limited to, hazardous substance activities, equipment containing polychlorinated biphenyls, asbestos containing materials, underground storage tank systems, wetlands, and floodplains.
- *National Environmental Policy Act documentation* to assess potential environmental impacts of the action. In accordance with the National Environmental Policy Act, an Environmental Assessment or Environmental Impact Statement may be required.

5.1.2 Identifying Owned Assets for Disposition

HHS owned assets are initially identified for disposition through the land-holding OPDIVs' facility master planning and budget processes. Each OPDIV is required by the HHS policy

(HHS Facility Program Manual) to develop and maintain a facility master plan. These plans assure the orderly development of HHS sites and properties. Each OPDIV uses the retention/disposal analysis discussed above as part of the master planning process. Part of every master plan is the identification of both short-term (*i.e*. 5 years or less) and long-term (*i.e.* 20 years or more) development needs. A key to having a good master plan is its linkage to the strategic plan of the OPDIV and the Department. The new Disposition Decision Tree (Attachment 9) recently approved by the Federal Real Property Council is being incorporated into the identification process to provide an initial candidate list for disposition.

After the master plan analysis is complete, disposal identification enters the HHS budget process. If a facility is being disposed through the GSA, the costs of that process are included in the OPDIV budget request. Similarly, if the facility is proposed for demolition and replacement with a new structure, the cost of that capital investment is included in the OPDIV budget request. When the funds needed for the disposition or demolition are approved, the identification cycle is complete.

5.2 The Disposal Process

The final stage of the capital life-cycle is disposal. HHS does not have direct authority to dispose of its excess real property assets. Therefore, HHS complies with the applicable provisions of the Federal Property and Administrative Services Act of 1949, as amended, 40 U.S.C. §§471 *et seq*. This Act established the General Services Administration as the agency responsible for the disposal of federal assets. GSA has promulgated regulations, specifically the Federal Property Management Regulations (FPMR), 41 FPMR Chapter 102-75, that detail the procedures and forms required by a federal agency requesting disposition of federal real estate.

Prior to disposition of HHS real property, the following criteria must be met:

- Real Property must be in excess to the needs of the agency;
- "All requirements of the GSA disposal regulations are then followed. This includes reporting to GSA on environmental, historic and other factors known about the land."

It is the responsibility of the landholding OPDIVs to apply this process to properties identified for disposal. Candidate properties are then cleared through OFMP to assure that there is no Departmental need. If there is none, OFMP prepares a "Report of Excess" (ROE) and submits the ROE to GSA's Office of Real Property Disposal for further processing. The ROE contains salient "due diligence" information such as:

1. A description of the property;
2. The date title to the property vested in the United States;
3. All exceptions, reservations, conditions and restrictions relating to the title acquired by the United States;
4. Detailed information concerning any actions or circumstances since acquisition that may have affected the right, title and interest of the United States to the property, together with copies of opinions or comments that may be contained in the file concerning the described actions or circumstances. If no such action or circumstance occurred, then a statement to that effect should be included in the report under this element;
5. The status of the legislative jurisdiction of the real property;

6. Information concerning any known flood hazards or flooding of the property and whether located in a flood plain or wetlands, as well as a listing or citation to the uses that are restricted under identified federal, state or local laws and regulations, as a consequence;
7. Identification of any fixtures or related personal property that have possible historical significance or artistic value;
8. The historical significance of the property, if any, and whether the property has been listed or is eligible for listing in the National Register of Historic Places, or is in proximity to such a historic property. Whether the public, or interested parties, are making any effort to have the property listed should also be included in the report;
9. The identification of the type, location and condition of any asbestos known to be incorporated into the buildings, and/or structures on the property. Available estimates of the cost and time to remove the asbestos contamination should also be included in the report;
10. With respect to any hazardous substance activity on the property:
    (i) A statement indicating whether any hazardous substance activity (as defined by 40 CFR §373), took place on the property;
    (ii) If such activity took place, include information on the type and quantity of such hazardous substance, and the time when such storage, release, or disposal took place. The report should also note if all remedial action necessary to protect human health and the environment has been taken before the property was declared excess. If no remedial action has been taken, or completed, then state when the action will take place;
    (iii) If no hazardous substance activity has taken place on the property (as defined in 40 CFR §373), then the report should include the following statement:
    "The [reporting agency] has determined, in accordance with regulations issued by the Environmental Protection Agency at 40 CFR Part 373, that there is no evidence to indicate that hazardous substance activity took place on the property during the time the property was owned by the United States."

In addition, all title evidence documents, any appraisal reports and a certification that the property does not contain any PCB transformers or other equipment regulated by the Environmental Protection Agency under 40 CFR Part 761 is included.

Thereafter, disposal of HHS excess property by GSA follows a four-step process:

- Screening of federal agencies for possible continued federal need by another agency;
- Screening for specific Public Benefit Conveyance opportunities for the property's reuse (*i.e.*, Homeless, Education, Correctional facilities, self-help housing, public health, or fire and/or police training);
- Negotiating with the local community based on highest and best future reuse of the real property in question; or
- Taking the real property to the market to sell by sealed bid, public outcry auction, or Internet sale.

Section 203(k) of the Federal Property and Administrative Services Act of 1949 (FPASA), as amended, authorizes the Secretary of the Department of Health and Human Services (HHS) to

convey surplus federal real properties to eligible applicants for approvable public health purposes at public benefit discount.

Title V of the Stewart B. McKinney Homeless Assistance Act

Title V of the Stewart B. McKinney Homeless Assistance Act directs the Secretary to include as a permissible public health use, within the meaning of section 203(k) of FPASA, the transfer of surplus federal real property for facilities to assist the homeless. In accordance with Title V of the McKinney Act, organizations that provide services to the homeless receive priority consideration in the use of federal surplus real property.

Eligible organizations include states, and their political subdivisions and instrumentalities, tax supported institutions, and nonprofit organizations. The Surplus Property Program is administered by this Department's Program Support Center (PSC). Entities interested in acquiring federal surplus property for public health uses obtain an application instruction packet from the PSC. The PSC develops an annual report to Congress on all federal property conveyed for public health and homeless reasons.

5.3 Disposal Performance Measures and Continuous Monitoring

5.3.1 Federal Real Property Council Disposal Measures

Disposal Index

As the Council, in coordination with OMB, further defines its version of the disposal index, HHS will work to ensure consistency with the Council's standards.

5.3.2 Agency Specific Measures

Disposal of Leases

As noted earlier, HHS uses both leases managed by GSA and leases managed directly by HHS. In the past, most OPDIVs began discussing plans for existing leases approximately 24 months in advance of the lease expiration, based on a review of the user's business plans and future space needs. There are some cases where the long term housing plans call for HHS to relinquish leases back to GSA or a third party landlord, such as in the case of the FDA groups moving from leased space to the White Oak campus. In such a scenario, the HHS group works closely with GSA to minimize leasing and moving costs by tracking the lease terms against the target move-in date for the new space.

HHS, with the development of its RAMP and related tactical plan, is improving the process for assessing the potential disposal of leases. The RAMP has a minimum time horizon of five years, but HHS has analyzed the leased portfolio through 2014, given the impact of the new campus at White Oak on long term leasing plans. The new planning process draws on real estate market projections and the development of housing scenarios to determine the most effective housing solutions for leased and owned assets. Through such analyses, HHS can determine if there are opportunities for OPDIVs to backfill leased space that may be vacated by other OPDIVs and whether there are opportunities for OPDIVs to co-locate.

Disposal of Owned Assets

HHS policy regarding retention of owned assets lays out conditions where real property may be retained and directs OPDIVs and components to dispose of properties that do not meet those conditions. HHS policy also clearly enumerates steps that are taken to dispose of properties that

are excess or otherwise do not meet the conditions for retention. The policy is described in Section 5.4, below.

IHS has received properties from the Bureau of Indian Affairs (Department of the Interior) that were directly related to the delivery of health services. Through a Memorandum of Understanding and subsequent Delegation of Authority, Indian Health Service may re-transfer to the Department of the Interior any properties that are excess, where the Bureau of Indian Affairs has expressed an administrative need. Properties transferred must meet certain conditions, are transferred without compensation and are held in trust in favor of the Indian tribes within whose boundaries such excess property is located. IHS transfer of properties is reviewed for conformance with provisions of laws governing such transfers.

5.4 Disposal Initiatives

HHS is striving to expedite the disposal of unneeded and non-performing assets. There are various methods and actions for disposal of non-performing, excess, outdated or obsolete properties within the portfolio.

NIH and CDC operate on campuses that contain little or no land available for expansion or construction of new facilities to meet demand. NIH and CDC evaluate existing buildings with life cycle cost analyses, which compare major renovation and security upgrades to replacement costs. Where it is economically advantageous, obsolete assets are demolished and replaced with new state of the art buildings capable of functioning at the highest level. Where the life cycle cost analyses reveals that renovation yields the best economic returns to the agency, the assets are renovated to provide further service.

The HHS Facility Program Manual provides policies for disposition of excess properties. Property or interests therein are usually disposed of by or through the General Services Administration (GSA) after being declared to be excess to the needs of HHS (having custody and accountability for the property). OPDIVs, after appropriate internal clearances/approvals are received, shall report excess real property to HHS for screening as to other possible Departmental needs. In addition to GSA's assistance, excess assets controlled by Indian Health Service are transferred to the Department of the Interior for direct tribal use.

HHS is developing policy initiatives to further the goal of disposition of excess assets. HHS intends to use the disposition decision tree being proposed by the FRPC Performance Measures Committee as one initial identifier of facility candidates for disposition. Because of significant budget growth in landholding OPDIVs over the past several years associated with new missions in biodefense, concerns over drug safety, discovering new treatments for disease, and treating a growing Native American and Alaska Native population; HHS over the past few years has outgrown its space in many areas. Further, HHS disposed of its largest underutilized facility, St Elizabeths Hospital West Campus, to GSA in early 2005. In order to assess consolidation, integration and disposition opportunities, HHS developed a draft "Tactical Housing Plan" in 2005 to provide housing scenarios. The tactical plan will be annually updated as part of the HHS budget process to annually identify any disposition opportunities.

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Attachment 1 - Federal Real Property Council Mandatory Inventory Data Elements and Performance Measure Definitions

NOTE: Data Elements that are also Performance Measures will indicate the Performance Measurement number parenthetically.

1. Real Property Type

Definition: Indicates one of the following types of real property:

1. Land;
2. Building; or
3. Structure.

2. Real Property Use

Definition: Indicates one of the following real property uses:

A. Land Predominant Use:

1. Agriculture: Land under cultivation for food or fiber production.
2. Grazing: Conservation lands primarily administered to preserve, protect, manage, or develop grass and other forage resources suitable for livestock. Exclude Wilderness Areas from this classification.
3. Forest and Wildlife: Conservation lands primarily administered to preserve, protect, manage, or develop timber, wildlife, watershed, and recreational resources. Exclude Wilderness Areas from this classification.
4. Parks and Historic Sites: Land administered for cemeteries, memorials, monuments, parks (national, historical, military, memorial, and national capital), sites (battlefield and historic), parkways, and recreation areas. Exclude Wilderness Areas from this classification.
5. Wilderness Areas: Land designated by Congress as a part of the National Wilderness Preservation System.
6. Office Building Locations: Land containing office buildings or future planned office buildings, to include military headquarters buildings.
7. Training Land: Land containing training buildings, or land that is used to conduct outdoor training, such as firefighting, weapons training, or other military training activities.
8. Miscellaneous Military Land (not covered elsewhere): Department of Defense (DoD) and U.S. Coast Guard (USCG) controlled land used for military functions that cannot be classified elsewhere.
9. Airfields: Land used for military air bases or air stations, and military or civilian landing fields.
10. Harbor and Port: Land used for harbor and port facilities.

11. Post Offices: Land used in conjunction with a Post Office and used predominately as a general service and access area.
12. Power Development and Distribution: Land used for power development and distribution projects.
13. Reclamation and Irrigation: Land used for reclamation and irrigation projects.
14. Flood Control and Navigation: Land used for flood control and navigation projects.
15. Vacant: Land not being used.
16. Institutional: Land used for institutional purposes such as hospitals, prisons, schools, libraries, chapels, and museums.
17. Housing: Land used primarily for public housing projects, military personnel quarters, and dwellings for other federal personnel.
18. Storage: Land used primarily for supply depots and other storage.
19. Industrial: Land used for physical plants engaged in producing and manufacturing ammunition, aircraft, ships, vehicles, electronic equipment, chemicals, aluminum, magnesium, etc.
20. Research and Development: Land used directly in basic or applied research such as in science, medicine, and engineering.
21. Communications Systems: Land used for telephone and telegraph lines, data transmission lines, satellite communications, and other communications facilities or towers.
22. Navigation and Traffic Aids: Land used for aircraft and ship navigation aids, such as beacon lights, antenna systems, ground control approach systems, and obstruction lighting.
23. Space Exploration: Land used in direct support of space exploration and utilization, including launch and test sites, emergency landing sites (not airfield), and astronaut training.
24. Other Land: Land that cannot be classified elsewhere.

B. Buildings Predominant Use

1. Office: Buildings primarily used for office space or military headquarters.
2. Post Office: Buildings or portions of buildings used as a Post Office.
3. Hospital: Buildings used primarily for furnishing in-patient diagnosis and treatment under physician supervision and having 24-hour-a-day registered graduate nursing services. This category also includes medical laboratories used for routine testing. This category excludes buildings used directly in basic or applied medical research.
4. Prison (Government-owned only): Buildings under the jurisdiction of the Department of Justice or Department of Defense, used for the confinement of federal or military prisoners.
5. School: Buildings used primarily for formally organized instruction, such as schools for dependent children of federal employees, Indian schools, and military training buildings including specialized training facilities.
6. Other Institutional Uses: Buildings used for institutional purposes other than schools, hospitals, and prisons, such as libraries, chapels, museums, and out-

patient clinics. This category also includes food preparation and dining facilities, buildings housing entertainment and recreational activities, and visitor's centers.

7. Family Housing: Buildings primarily used as dwellings for families/dependents. Includes apartment houses, single houses, row houses, public housing, military personnel housing, federal employee housing, and housing for institutional personnel.
8. Dormitories/Barracks: Buildings primarily used as dwellings for housing individuals (without families/dependents).
9. Warehouses: Buildings used for storage, such as ammunition storage, covered sheds, and buildings primarily used for storage of vehicles or materials. Also included are underground or earth covered ammunition storage bunkers and magazines. This category excludes water reservoirs and POL storage tanks which are storage structures.
10. Industrial: Buildings specifically designed and primarily used for production or manufacturing, such as the production or manufacture of ammunition, aircraft, ships, vehicles, electronic equipment, fish production, chemicals, aluminum, and magnesium. Included are buildings that house utility plants or utility system components such as pump stations or valves.
11. Service: Buildings used for service activities, such as maintenance and repair shops, dry cleaning plants, post exchange stores, airport hangars, and buildings primarily used for vehicle maintenance and repair.
12. Laboratories: Buildings used directly in basic or applied research in the sciences (including medicine) and in engineering, such as medical laboratories; meteorological research laboratories; and buildings used in designing, developing, and testing of prototypes and processes for chemistry and physics. This category excludes medical or industrial laboratories used for routine testing.
13. Communications Systems: Buildings used for telephone and telegraph systems, data transmission, satellite communications, and/or associated with radio towers or other communications facilities.
14. Navigation and Traffic Aids: Includes buildings that house aircraft or ship navigation and traffic aids, such as beacon lights, antenna systems, ground control approach systems, and obstruction lighting.
15. All Other: Buildings that cannot be classified elsewhere.

C. Structure Predominant Use

1. Airfield Pavements: Runways, helicopter landing pads, taxiways, and aprons.
2. Harbors and Ports: Docks, piers, wharves, jetties and breakwaters, and other harbor, port, or coastal facilities.
3. Power Development and Distribution: Hydroelectric and other power development projects that produce power for resale (generally consisting of dams and powerhouses). Include transmission lines that are an integral part of federal power development, even if the power is produced by another federal agency.
4. Reclamation and Irrigation: Canals, laterals, pumping stations, storage, and diversion dams.

5. Flood Control and Navigation: River improvements, revetments, dikes, dams, and docks.
6. Storage (other than buildings): Storage tanks, silos, igloos, underground vaults, and open storage improved areas. This category includes water reservoirs and POL storage tanks.
7. Industrial (other than buildings): Structures and facilities (other than buildings) used for production or manufacturing, such as sliding shipways, retaining basins, and pipelines.
8. Service (other than buildings): Structures used for maintenance and repair, such as underground fueling systems, vehicle washing and greasing facilities, aircraft bore sight ranges, guided missile maintenance facilities, and ship repair structures.
9. Research and Development (other than Laboratories): Structures and facilities used directly in basic or applied research in science, medicine, and engineering, such as facilities used in the design, development, and testing of prototypes and processes and space and aeronautics research and development. Excludes facilities used for routine testing.
10. Recreational (other than buildings): Outdoor recreational structures such as athletic fields and courts, stadiums, golf courses, and ski slopes.
11. Utility Systems: Heating, sewage, water, and electrical systems when they serve several buildings or other structures of an installation. When these systems serve a single building that is reported separately, include the utility systems' cost in the cost of the building. Includes heating plants and related steam and gas lines; sewage disposal plants; storm and sanitary sewer lines; water treatment plants, wells, pump houses, reservoirs, and pipelines. Also includes electrical substations, standby or auxiliary power plants, lighting structures, and conduits.
12. Space Exploration Structures: Structures used in direct support of space exploration and testing, including test structures, and specialized associated structures that cannot be classified elsewhere.
13. Communications Systems: Telephone and telegraph lines, data cables, radio towers, and other communications-related structures.
14. Navigation and Traffic Aids (other than buildings): Structures for aircraft and ship navigation aids, such as beacon lights, antenna systems, ground control approach systems, and obstruction lighting. Includes demarcation lighting along runways, taxiways, and other airfield pavements.
15. Roads and Bridges: Federally-owned highways, roads, related culverts, and connecting bridges. Includes surfaced and unsurfaced roads within national parks and forests, military installations, and other federal installations.
16. Railroads: Tracks, bridges, tunnels, and fuel or water stations servicing railroads.
17. Monuments and Memorials: Federal monuments, memorials, and statues.
18. Weapons Ranges: Ranges where weapons are fired, and areas where explosives are detonated.
19. Miscellaneous Military Facilities: Structures and facilities of DoD and USCG used for military functions that are not included in any other classification.
20. Parking Structure: Independent structures for non-residential parking of more than two vehicles.

21. All Other: Sidewalks, parking areas, fences, and walking trails that cannot be readily classified under the above categories. Includes improvements to public domain lands, such as drainage, grading, and landscaping.

3. Legal Interest

Definition:

1. Owned: The Federal Government has fee simple interest for the real property.
2. Leased: The rights to use the real property have been assigned to the Federal Government by a private entity or a non-federal government entity for a defined period of time in return for rental payments.
3. Otherwise Managed**:**

   A. State Government-Owned – A U.S. state government holds title to the real property but rights for use have been granted to a Federal Government entity in other than a leasehold arrangement.

   B. Foreign Government-Owned – A foreign government holds title to the real property but rights for use have been granted to a Federal Government entity in other than a leasehold arrangement.

4. Status

Definition: Buildings, structures and land parcels will have one of the following attributes:

- Active: Currently assigned a mission by the reporting agency.
- Inactive: Not currently being used but may have a future need. Includes real property in a caretaker status (closed pending disposal, for example facilities that are pending a BRAC action) and closed installations with no assigned current federal mission or function.
- Excess: Formally identified as having no further program use of the property by the landholding agency.
- Outgranted/Outleased: Use has been granted to another entity.

5. Historical Status

Definition: Buildings and structures that have one of the following attributes:

1. National Historic Landmark (NHL);
2. National Register Listed (NRL);
3. National Register Eligible (NRE);
4. Non-contributing element of NHL/NRL district; or
5. Non Applicable (N/A).

6. Reporting Agency

Definition: Agency reporting the property to the Government Services Administration (GSA). (Use the Agency Bureau Code list maintained by GSA).

7. Using Organization

Definition: Agency occupying the property. (Use the Agency Bureau Code list maintained by GSA.)

8. Size

Definition: The size of the item of real property.

- For land, the unit of measure is *acreage* and is designated as either *rural* or *urban*.
- For a building, the unit of measure is *square feet* and designated as *gross square feet*.
- For structures, the units of measure are as follows:

No.	Structure Name	Unit of Measure
1	Administrative Structure (other than buildings)	Each
2	Aircraft Pavement	Square Yards
3	All Others	Each
4	Communication Lines	Miles
5	Distribution Lines	Linear Feet
6	Fences and Walls	Linear Feet
7	Fish and Wildlife Structures	Each
8	Open Storage	Square Yards
9	Outdoor Recreational Facilities	Each
10	Piers, Wharfs, and Bridges	Square Yards
11	POL Pipelines	Miles
12	PowerStation	Each
13	Railroad Lines	Miles
14	Roads	Lane Miles
15	Sidewalks and Parking Lots	Square Yards
16	Storm Drainage	Linear Feet
17	Training Ranges	Each
18	Treatment Plants – Water, Sewer, Industrial	Each
19	Water Storage	Each
20	Waterworks – Dams, Locks, Canals, Seawalls, etc.	Each

9. Utilization (Performance Measure #1)

Definition: The state of having been made use of, i.e., the rate of utilization. Utilization will be captured as a percent utilization on a scale of 0% to 100%. The following categories and percent utilization will be used to determine the rate of utilization.

Rate	Categories and Percent Utilization				
	1. Offices	***2. Warehouses***	***3. Hospitals***	***4. Laboratories***	***5. Housing***
Over-Utilized	>95%	>85%	>95%	>85%	N/A
Utilized	75-95%	50-85%	70-95%	60-85%	85-100%
Under-Utilized	<75%	10-50%	25-70%	30-60%	<85%
Not Utilized	N/A	<10%	<25%	<30%	N/A

1. ***Offices*** – ratio of occupancy to current design capacity.
2. ***Warehouses*** – ratio of gross square feet occupied to current design capacity.
3. ***Hospitals*** – ratio of occupancy to current design capacity.
4. ***Laboratories*** – ratio of active units to current design capacity
5. ***Housing*** – housing will be measured as a percent of individual units that are occupied. The housing utilization rate does not need to be reported at the individual housing unit level; however, the manner in which it is measured and reported by the agency should be determined in consultation with OMB.

Initially, Utilization will need to be reported only for the five real property categories listed above. Agencies should report the utilization category (over-utilized, utilized, under-utilized, or not utilized) to the government-wide database. Agencies should maintain the percent data for each asset for future reference.

Agencies will have flexibility in judgment for determining current design capacity. Current design capacity is defined as the maximum capacity of which an asset, facility or system can operate, regardless of statutory, regulatory, contractual or other conditions or restrictions.

Agencies may use their best judgment for determining utilization of laboratories when the data is not available to calculate utilization in accordance with the definition stated above.

10. Value

Definition: The functional/plant replacement value; the cost of replacing the existing constructed asset at today's standards.

Formula: Value = Unit x Unit Cost x Overhead Factor

The result is adjusted by area cost and inflation, as appropriate. Only buildings and structures will be required to have a functional/plant replacement value reported in the inventory.

11. Condition Index (Performance Measure #2)

Definition: The Condition Index (CI) is a general measure of constructed asset condition at a specific point in time.

CI is calculated as the ratio of repair needs to plant replacement value (PRV) (also known as functional replacement value). The CI will be calculated annually, will be reported on an Agency or Department-wide basis, will be reported as a "percent condition" on a scale of 0% to 100%, and will be calculated as **(1 - $repair needs/$PRV) x 100**. The higher the CI the better the condition the constructed asset is in.

"Repair needs" is the amount necessary to ensure that a constructed asset is restored to a condition substantially equivalent to the originally intended and designed capacity, efficiency or capability. Agencies/Departments will initially determine repair needs based on existing processes, with a future goal to further refine and standardize the definition.

"Plant replacement value" (or functional replacement value) is the cost of replacing an existing asset at today's standards.

Target CI levels will initially be set by the agencies/departments in consultation with OMB.

12. Mission Dependency (Performance Measure #3)

Definition: The value an asset brings to the performance of the mission as determined by the governing agency in one of the following categories:

1. Mission Critical – without constructed asset or parcel of land, mission is compromised;
2. Mission Dependent, Not Critical – does not fit into *Mission Critical* or *Not Mission Dependent* categories; or
3. Not Mission Dependent – mission unaffected.

13. Annual Operating and Maintenance Costs (Performance Measure #4)

Actual costs will be reported annually.

Definition: Annual operating and maintenance costs include:

1. Recurring maintenance and repair costs;

2. Utilities (includes plant operation and purchase of energy);

3. Cleaning and/or janitorial costs (includes pest control, refuse collection and disposal to include recycling operations); and

4. Roads/grounds expenses (includes grounds maintenance, landscaping and snow and ice removal from roads, piers and airfields).

14. Main Location

Either of the following will be reported for the constructed asset or parcel of land:

1. Street address; or
2. Latitude and longitude (if no security concerns).

15. Real Property Unique Identifier

Definition: A code that is unique to an item of real property that will allow for linkages to other information systems.

The Real Property Unique Identifier is assigned by the Reporting Agency.

16. City

17. State

18. Country

19. County

20. Congressional District

21. ZIP Code

22. Installation and Sub-Installation Identifier

Use existing structure identified in the *GSA Customer Guide to Reporting Real Property Inventory Information.*

Definitions:

> ***Headquarters Installations*** – Land, buildings, other structures, and facilities, or any combination of these. Examples of installations are a national forest, national park, hydroelectric project, office building, warehouse building, border station, base, post, camp, or an unimproved site.
>
> ***Sub-Installation*** – Part of an installation identified by a different geographic location code than that of the headquarters installation. An installation must be separated into sub-installations (and reported separately) when the installation is located in more than

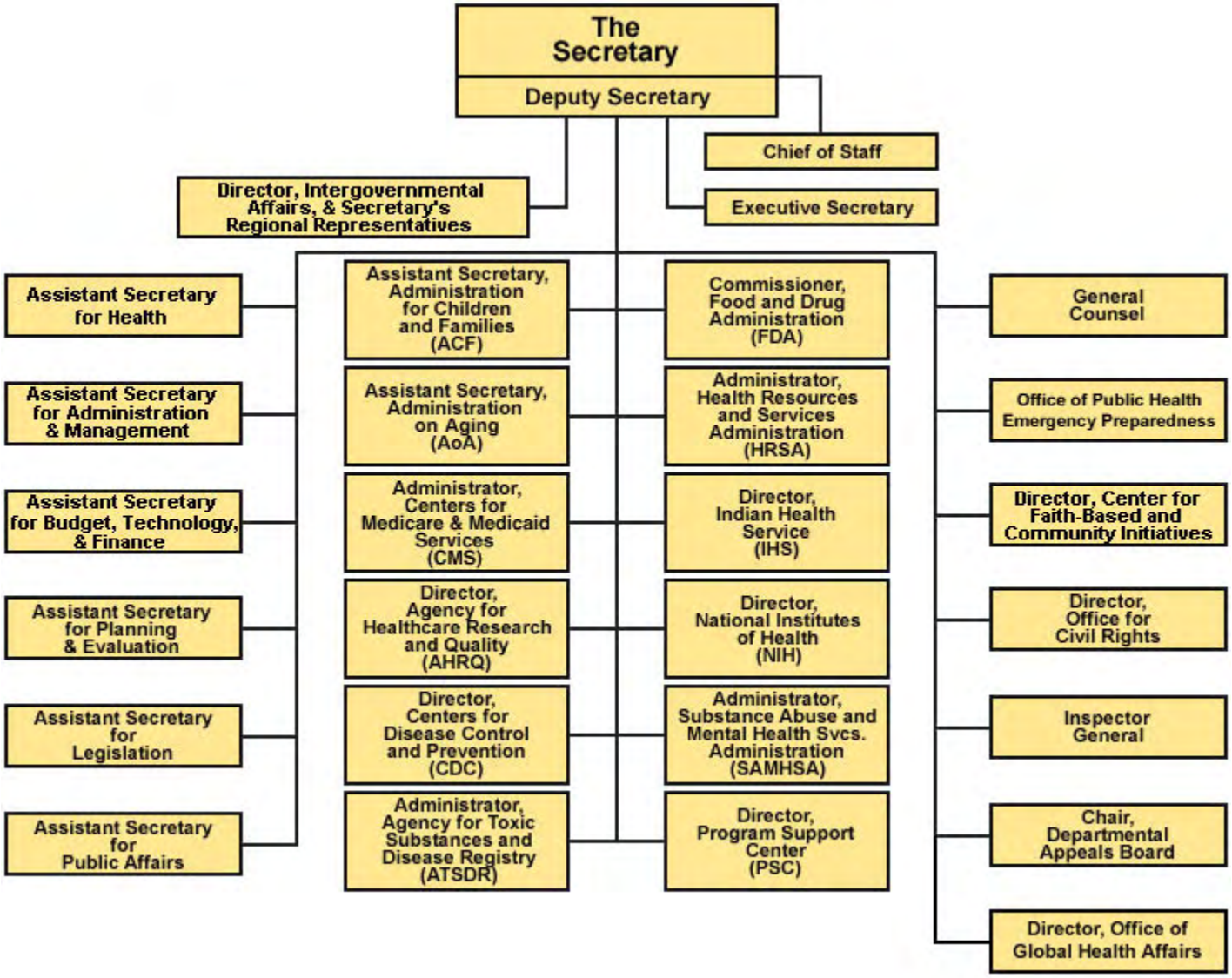
one state or county. However, an agency may elect to separate an installation into sub-installations even if the installation is not located in more than one state or county.

23. Restrictions

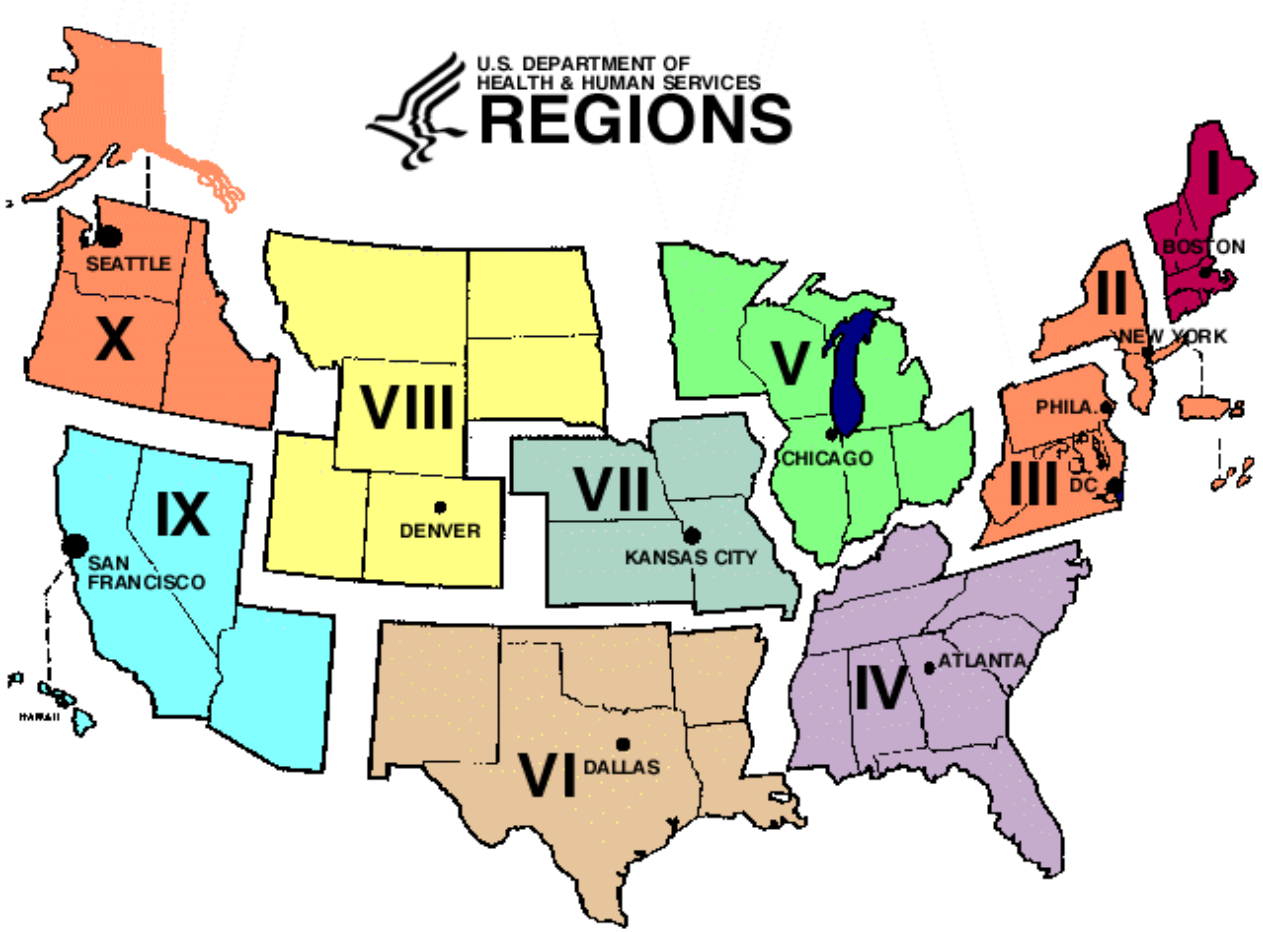
Definition: One or more of the following values will be reported for each building, structure and parcel of land:

1. Environmental Restrictions (cleanup-based restrictions, etc.);
2. Natural Resource Restrictions (endangered species, sensitive habitats, floodplains, etc.);
3. Cultural Resource Restrictions (archeological, historic, Native American resources, etc.);
4. Developmental (improvements) Restrictions;
5. Reversionary Clauses from Deed;
6. Zoning Restrictions;
7. Easements (including access for maintenance rights, etc.);
8. Rights-of-Way;
9. Mineral Interests;
10. Water Rights;
11. Air Rights;
12. Other; or
13. Non Applicable

Attachment 2 - HHS Organizational Chart and Regional Map

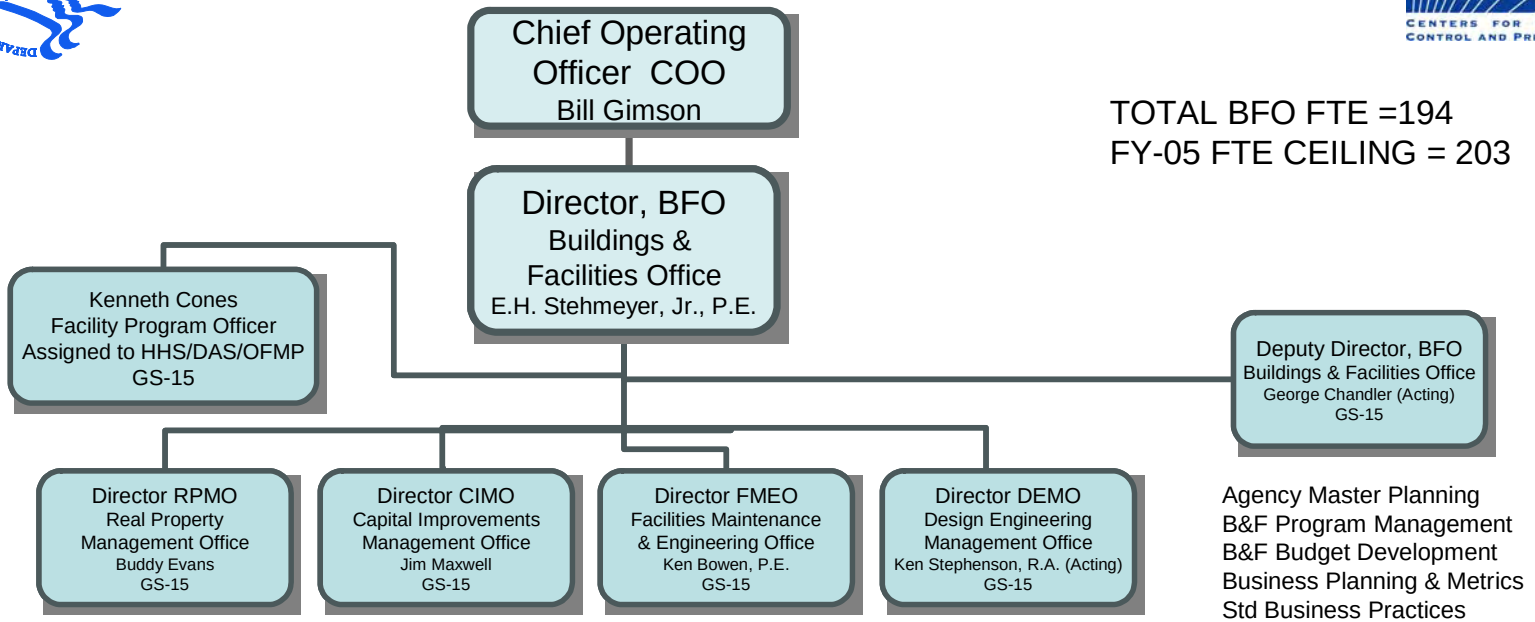


HHS Region Map



Attachment 3 - OPDIV Organization Charts and Functional Statements

Buildings and Facilities Office (BFO)



TOTAL BFO FTE =194
FY-05 FTE CEILING = 203

Real Property Mgt
Space Planning & Mgt
Leased Building Mgt
FFE Inventory Mgt
Disposals
Acquisitions
Easements
Relocation Management
UR Mgt

FTE= 14

Capital Project Mgt
R&I Project Mgt
Construction Mgt
Project Development
CPM Scheduling

FTE= 41

Facilities Maintenance
Plant Operations
WO Input & Control
Building Management
Minor Construction
Janitorial & Grounds
Cardkey Maintenance
BAS Operations
Contingency Ops
O&M Planning
Energy Management
Infrastructure Engineering
Commissioning
As-builts & OMSI

FTE= 99

Design Engineering
Architecture
Interior Design
FFE Design
AutoCad Expert
Criteria/Standards
Engineering Studies
Space Programming
Cost Engineering

FTE = 26

Agency Master Planning
B&F Program Management
B&F Budget Development
Business Planning & Metrics
Std Business Practices
IFMS Dev & Support
Coord/HHS ASAM Facilities
Facility Policy
Global Acquisition Planning
Operating Budget
VE Program

FTE= 12

CDC Buildings and Facilities Office (BFO)

(1) Operates, maintains, repairs, and modifies CDC's Atlanta area plant facilities and conducts a maintenance and repair program for CDC's program support equipment;

(2) carries out facilities planning functions for CDC, including new or expanded facilities, and a major repair and improvement program;

(3) develops services for new, improved, and modified equipment to meet program needs; and

(4) conducts CDC’s real property and space management activities, including the acquisition of leased space, the purchase and disposal of real property, and provides technical assistance in space planning to meet programmatic needs.

(5) Plans, directs, and coordinates the functions and activities of the Buildings and Facilities Office (BFO);

(6) provides management and administrative direction for budget planning and execution, property management, and personnel management within BFO;

(7) provides leadership and strategic support to senior managers in the determination of CDC’s long term facilities needs;

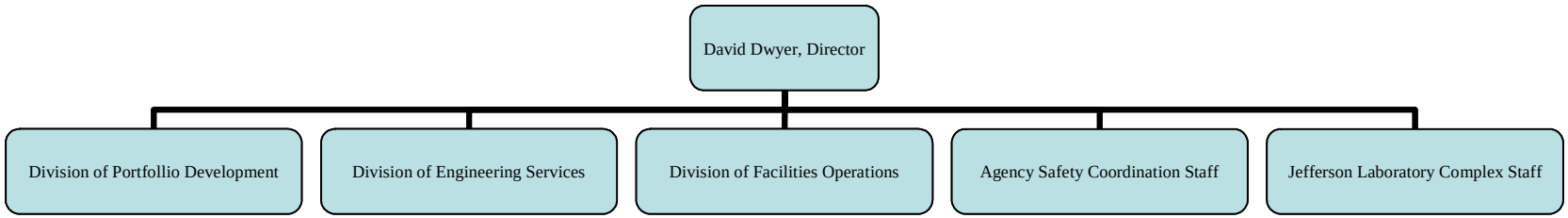
(8) coordinates the operations of BFO staff involved in the planning, evaluation, design, construction, and management of facilities and acquisition of property;

(9) provides centralized VE services, policy development and coordination, and global acquisition planning for BFO;

(10) develops and maintains IFMS system to process data for management and control systems and develop reports and analyses; and

(11) assists and advises senior CDC officials in the development, coordination, direction, and assessment of facilities and real property activities throughout CDC’s facilities and operations, and assures consideration of facilities management implications in program decisions.

FDA Office of Real Property Services



FOOD AND DRUG ADMINISTRATION
ORGANIZATION - OFFICE OF THE COMMISSIONER
OFFICE OF MANAGEMENT
OFFICE OF SHARED SERVICES

OFFICE OF REAL PROPERTY SERVICES

1. OFFICE OF REAL PROPERTY SERVICES
   a. Provides leadership and guidance to Agency components for all aspects of real property management functions.
   b. Directs the management of programs and systems leading to the acquisition, alteration, maintenance, and utilization of leased and owned facilities nationwide, except for the acquisition of buildings for the White Oak Headquarters Consolidation.
   c. Directs building operations functions for all FDA facilities nationwide.
   d. Manages the program and provides direct interface with General Services Administration (GSA) for lease acquisition and lease management for all Agency facilities nationwide.
   e. Serves as liaison with the Department of Health and Human Services (DHHS) and GSA for general facilities management issues and specifically for the efficient management and operation of facilities occupied by FDA programs nationwide
   f. Directs and manages over a $100 million dollar appropriation for the acquisition, operation, construction, maintenance for the Agency's nationwide real property portfolio.
   g. Provides leadership and direction to assure the efficient and effective utilization of FDA's resources dedicated to engineering design, facility improvements, and new construction of FDA facilities nationwide.
   h. Establishes management structure and dialog with GSA and architectural engineering design and construction contractors to ensure FDA program needs and concerns are fully addressed.
   i. Ensures meaningful and continuous communication with community leaders and associations, State and local governments, and business leaders in areas where FDA proposes new facilities.
   j. Develops and implements program plans, policies and procedures designed to create and maintain a safe and healthful environment for FDA employees, visitors, and guest workers, and to protect the environment.
   k. Develops Agency plans, policy and procedures consistent with new environmental health and safety regulatory requirements and Agency needs.
   l. Provides fire protection, safety engineering, and environmental health consultation to the Agency's program managers and engineering offices.
   m. Leads the Agency's decommissioning efforts to close FDA laboratories and offices from an environmental, safety and health perspective.
   n. Consults with program officials on safety matters pertaining to changing and emerging research programs.

o. Recommends special technical studies to increase the knowledge of the relationship between occupational safety and environmental health and the laboratory programs of FDA.
p. Provides support to the FDA Safety Advisory Board and conducts the FDA Safety and Health Council meetings.
q. Develops and implements a safety management quality assurance program for the Agency's multiple work sites nationwide. Develops and implements a similar headquarters program consistent with the FDA Safety Advisory Board recommendations and approval.

2. DIVISION OF PORTFOLIO MANAGEMENT
   a. Plans and develops the Agency Annual Facilities Plan that includes forecasts for long and short term and immediate space needs and annual facilities budgets for rent, operations and maintenance and building and facilities.
   b. Develops multiple strategies for addressing FDA's long and short -range facility plans.
   c. Develops Agency standards and enforcement of occupied and vacant space utilization. Prepares reports and space management analysis of the Agency's real property holdings. Analyzes Agency housing plans and performs real property occupied and vacant space customer analysis.
   d. Provides cost analysis support to agency components concerned with leasing, construction, and finance costs.
   e. Manages the policy, acquisition, management and administration of the Agency’s leased real property portfolio.
   f. Provides guidance and assistance to the Agency operating activities on a variety of nationwide real estate management issues.
   g. Serves as liaison with DHHS and GSA for all lease acquisition and lease management of FDA nationwide facilities.
   h. Conducts Agency facility studies and develops specific long-range facility plans for both Headquarters and Field operations.
   i. Directs, or participates in, the preparation of the Program of Requirements for new construction projects.
   j. Coordinates the Agency's compliance with the National Environmental Policy Act, Resource Conservation and Recovery Act, and related laws.

3. DIVISION OF FACILITIES OPERATIONS
   a. Coordinates building operations and facilities management functions for all FDA owned facilities within the Washington metropolitan area which includes: Module 1 (MOD 1), and the Beltsville Research Facility (BRF). Through special delegations of authority from GSA, maintains responsibility for the total management, operation, and maintenance of Federal Building 8 (FB-8) and Module 2 (MOD 2).
   b. Oversees and directs a variety of commercial contracts to ensure smooth and efficient delivery of services.
   c. Participates in the development of Agency policy involving building management and operations.

d. Provides guidance and assistance to the Agency operating activities on a variety of facilities operations issues.
e. Coordinates office and laboratory relocations and provides technical assistance to programs regarding effective space utilization.
f. Provides guidance to program personnel in identifying or developing alternatives or emergency procedures during scheduled and unscheduled maintenance interruptions.
g. Administers agency contracts for moving services and preventive maintenance for government owned property.
h. Manages and coordinates the GSA Delegations of Authority program for FDA nationwide. Responds, reviews, and analyzes existing and proposed Delegation agreements, Interagency Agreements, Memorandums of Understandings regarding the Agency's nationwide property holdings for operational planning processes and improvement.

4. DIVISION OF ENGINEERING SERVICES
   a. Manages and directs design and construction requirements for facility acquisitions within the Agency. These requirements may encompass the following activities singularly or in combination: Preparation of proposals, preparation of functional requirements, program of requirements and criteria, architect and engineer liaison, space design and planning, functional and technical reviews, preliminary site selections, and project management for facilities construction, renovation and improvement projects.
   b. Provides engineering guidance and support for all activities related to maintenance, alterations, and repairs for Agency facilities nationwide.
   c. Directs and coordinates all Agency facilities programs concerned with equipment specifications and installation associated with facility acquisitions. Assists the program staffs in developing compatible facilities and equipment systems for the Agency.
   d. Provides overall engineering services including: feasibility studies, design criteria, concept, analysis, and estimates; schedules and tracks building and facilities projects, manages project designs.
   e. Manages the FDA energy management program; develops Agency policy relating to the program; develops and enforces supporting Agency standards that comply with stated goals of the Department.
   f. Oversight of structural, architectural or mechanical modifications to accommodate specific requirements in the existing FDA portfolio.
   g. Prepares computer-aided design (CAD) drawings for the Agency and maintains file of master drawings for FDA portfolio.
   h. Administers agency contract for renovations/alterations of office space.
   i. Provides space and alterations project management for existing FDA space to program components.
   j. Develops, implements and manages integration of facilities technologies.

Indian Health Service
Office of Environmental Health and Engineering Organization Chart

Functional Statement-Indian Health Service,
Office of Environmental Health and Engineering

The Indian Health Service (IHS) provides a comprehensive health services delivery system for American Indians and Alaska Natives with opportunity for maximum tribal involvement in developing and managing programs to meet their health needs. The mission of the IHS, in partnership with American Indian and Alaska Native people, is to raise their physical, mental, social, and spiritual health to the highest level. The goal of the IHS is to ensure that comprehensive, culturally acceptable personal and public health services are available and accessible to all American Indian and Alaska Native people. The foundation of the IHS is to uphold the Federal Government obligation to promote healthy American Indian and Alaska Native people, communities, and cultures and to honor and protect the inherent sovereign rights of tribes.
To support the above, the mission of the Office of Environmental Health and Engineering (OEHE) is to:

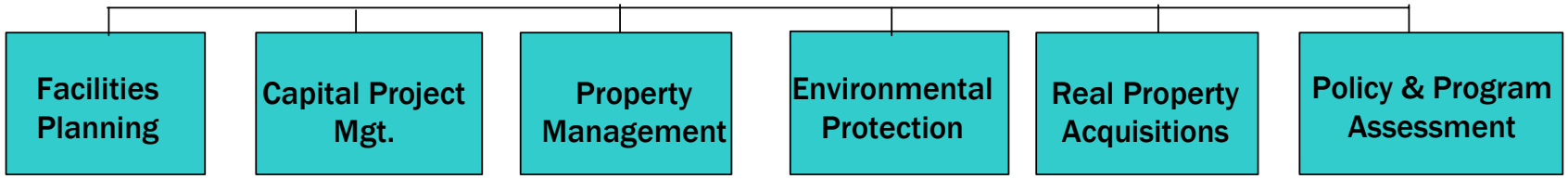
- Providing optimum availability of functional, well maintained health care facilities and staff housing;
- Providing technical and financial assistance to Indian tribes and Alaska Native communities (tribes) to promote a healthy environment through the cooperative development and continuing operation of safe water, wastewater, and solid waste systems and related support facilities; and
- Assisting each American Indian tribe and Alaska Native community to achieve its unique goals for obtaining health care facilities and establishing and maintaining a healthy environment.

The Office of Environmental Health and Engineering provides expertise in the following specific areas:

- Health care facilities engineering and construction,
- Health care facilities program development,
- Health care facilities engineering management support,
- Real property management,
- Sanitation facilities construction and environmental engineering, and
- Environmental health services.

NIH Office of Research Development and Operations, Office of the Director

Business strategy
Internal communications
External communications
NIH asset management



Facilities Planning	Capital Project Mgt.	Property Management	Environmental Protection	Real Property Acquisitions	Policy & Program Assessment
Master facilities planning	Manage design of major capital const. projects	Manage RPM SP	Environmental compliance	A/E & construction contracting	NIH guidelines
Manage space inventory		Manage R&I and FCI programs	Manage waste streams	Leasing	NIH building permit
Formulate B&F		Plan utility system	Oversee NEPA	Lease administration	Independent project reviews
Staff FWG		Acquire utilities	Champion sustainability	Simplified acquisitions	GPRA
Census		Manage IC budget commitments			Technical training

Functional Statement-NIH, Office of Research Facilities Development and Operations

The Office of Research Facilities Development and Operations (ORF) is an organization whose sole focus is planning, developing, and managing world class research and research support facilities. ORF was created in April 2003 to improve overall management of the NIH facility program by providing a single focus and single point of accountability for all NIH facility activities and streamlining information flow and decision making on research and research support facility issues. Like other central service organizations, ORF is a critical member of the NIH research support team. Juanita Mildenberg is the Acting Director. The primary responsibilities of the Office of Research Facilities are:

- Planning, development, and management of owned and leased research and research support facilities.
- Assisting the NIH Director with the formulation and execution of the buildings and facilities appropriation.
- Developing and maintaining policies and standards governing the development and use of real property.
- Planning and directing services that provide master planning; capital facility project management; real property management, including architecture and engineering, maintenance, space and facility management; and the acquisition of leased facilities, architecture and engineering services, construction, and facility maintenance and operations related services.

The Office of Research Facilities is comprised of the Office of the Director and six functional divisions.

Division of Facilities Planning – Acting Director, Ron Wilson
Master and facilities planning, real property development and management, space needs assessments, environmental planning and energy conservation, and transportation management.

Division of Capital Project Management – Director, Anna Franz
Planning, design, acquisition, leasing , construction, and commissioning of complex, high risk facilities.

Division of Property Management - Acting Director, Glen Stonebraker
Operation of leased and owned real property including facility management, operations, maintenance, repair, renovations, and utility operations.

Office of Acquisition-ORF – Director, Melissa Richardson
This Office is a central service reporting to the head of NIH Contracting. It is located within ORF to support all contracting NIH contracting needs for architecture and engineering, construction, real estate, leasing, and facilities.

Division of Policy and Program Assessment – Director, Farhad Memarzadeh
Policies, procedures, guidelines and standards for real property, facilities, construction, and space management; quality assurance surveillance; program of requirements and project budget review.

Division of Environmental Protection - Director, Kenny Floyd
Environmental protection, pollution control, resource conservation, environmental assessments.

Attachment 4 - Annual Capital Facilities Plans (Embargoed Budget Sensitive Information for OMB Use Only)

Sample 1:

CDC BUILDINGS AND FACILITIES PLAN
Buildings and Facilities
FY 2007-2012 Project Listing Only
(Dollars in Millions)

	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	Out-years	Estimated Total Project Cost
Buildings & Facilities Budget										
Projects $1 - $10 Million										
New Buford Highway Entrance, Chamblee Campus (C-P1997210)										
CDC Roybal Campus Secure Main Entry (C-P2004152)										
Modernization of Building A, Lawrenceville (C-P2002337)										
Install Chillers 3 and 4, Roybal Campus (C-P099069)										
ITSO Critical Infrastructure Protection includes FY02-04 IT Security (C-P2005067)										
Building B Addition, Lawrenceville (C-P2000146)										
FM200 Fire Supression System, Bldg 16 Computer Room (C-P2004026)										
Optical Turnstile and TDAR Units, Roybal and Chamblee Campuses (C-P2005098)										
Blast Resistant Glazing, Roybal Campus										
Emergency fire & Lifesafety Initiative										
Chamblee New Entrance and Sitework										
CDC Roybal Campus Secure Main Entry										
Radiological/Hazardous Waste & Chemical Reissue Facility, Chamblee Campus										
SecLAN and CCTV Circuit Paths, Roybal Campus										
Repair Projects $3million Plus										
Modernization of Building 1 Main, Roybal Campus										
Modernization of Building 15, Roybal Campus										
Major Construction Projects										
New Construction / Continuation $10 Million & above										
Transhipment/Program Support Bldg, Roybal Campus (#20)										
East Campus Consolidated Laboratory Project, Roybal Campus (#23)										
Research Support Facility, Roybal Campus (#24)										
Research Support Facility, Roybal Campus (#26)										
Biological Laboratory, Roybal Campus (#25)										
Enviornmental Health Facility, Chamblee Campus (#106)										
Research Support Facility, Chamblee Campus (#107)										
Research Support Facility, Chamblee Campus (#108)										
Research Support Facility, Chamblee Campus (#112)										
Advanced Planning for Atlanta Projects in the 5-year Plan / Master Plan										
Division of Vector borne Infectious Diseases Replacemnt Lab, Phase 1A, Ft. Collins										
Division of Vector borne Infectious Diseases Replacemnt Lab, Phase 1B, Ft. Collins										
Division of Vector borne Infectious Diseases Replacemnt Lab, Phase 2, Ft. Collins										
National Personal Protective Technology Laboratory, NIOSH, Pittsburgh, PA										
Cincinatti Lab Consolidation, NIOSH										
NCEH COOP Laboratory, Atlanta Metro Area										
Enviornmental Microbiology Laboratory										
ITSO Critical Infrastructure Protection includes FY02-04 IT Security (C-P2005067)										
Other Projects										
NIOSH Lake Lyn Laboratory Acquisition & Improvements Project, PA/WV										
R&I Lump Sum (Annual)										

Sample 2:

NIH BUILDINGS AND FACILITIES PLAN
Buildings & Facilities
FY 2007-2012 OMB Budget Submission

(Dollars in Millions)

	FY 2005 Budget	FY 2006 President's Budget	FY 2007 OMB Submission	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	Out-years
Buildings & Facilities Budget									
CONTINUING COMMITMENTS (needed every year)									
Essential Safety and Regulatory Compliance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Asbestos Abatement Program	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	ongoing
Fire Protection & Life Safety Program	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	ongoing
Eliminate Barriers to Persons With Disabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	ongoing
Environmental Assessments / Remediation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	ongoing
Indoor Air Quality Improvement Program	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Rehabilitation of Animal Research Facilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	ongoing
Physical Security Improvements	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	ongoing
Repair and Improvements	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	ongoing
Concept Development Studies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	ongoing
Sub-Total for Continuing Commitments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
RECOMMENDED PRIORITIES (year-specific)									
Essential Safety and Regulatory Compliance (one time)									
Building 10 Clinical Research Core Renovation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Construction									
Central Vivarium/Animal Research Center	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Neuroscience Res. Center Ph I	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Neuroscience Res. Center Ph II	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Lab P - South Quad /Center for Biology of Disease	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Lab N - South Quad/Center for Biology of Disease	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
South Quad Parking	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
RML Buffer Replacement Facility	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Renovations									
Building 10 Transition Program	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Renovation at NNMC Bldgs. 17	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Building 3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bldg. 29A / 29B Renovation / Bldg. 29 Demo	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equipment/Systems/Enabling									
Demolish Bldg. 14/28/32 Complex	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
South Quad Utility Expansion (Chiller / Boiler # 7)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Demolish Buildings 7 & 9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Chiller #27	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sub-total of Recommended Priorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
PROPOSED PROJECTS									
Essential Safety and Regulatory Compliance									
Building 31 Safety Improvements	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Construction									
Lab M - South Quad/Center for Biology of Disease	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Northwest Child Care Facility	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NLM Addition ($7.1M funded in FY 2001 for design)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Animal Production Area Facility - FCRDC	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Animal Quarantine Holding & Services Facility - FCRDC	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Program in Clinical Research - NIEHS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Immunotoxicogenetic Animal Facility - NIEHS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Lab & Vivarium Addition - NIEHS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Building 30 Addition	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Immunotoxicogenetic Animal Facility - NIEHS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Specimen Storage & Retrieval Res. Fac.- NIEHS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NIH Hazardous Waste Management Facility	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Renovations									
Building 37 - Renovate Basement	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Conversion of Building 7 - RML	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Expansion of Cell Processing Space, Building 10	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
New Patient Imaging Space adjacent to CRC ICU	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pet c-Good Laboratory Practices Facility	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Radiochemistry / GMP Lab	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Complete fit out B3-East Labs in CRC	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equipment/Systems/Enabling									
Sub-total of Proposed Projects	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
TOTAL B&F	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	

National Institutes of Health, Office of Research Facilities Revised Octo

Attachment 5 - Sample Constructed Asset Report

HHS Constructed Asset Report (CAR) of Owned Assets

Note: Capture Individual Assets with CRV > $500,000. For Less than $500,000 include a single lump sum amount for all

Bldg	Building Name	Location	CRV ($000)	FRPC Metrics				Capital Investment Plan 2005-11 ($000)				O&M AWP 2005-11 ($000)			Historic Status
No				FCI	Op Cost	Utiliz.	Miss. Crit.	Major RPR	Renovation	Replace	Year	Ann Ops	Projects	Proj Year	Hist Status

Attachment 6 - Facilities Assessment Evaluation Checklist

FACILITY CONDITION ASSESSMENT
(Typical Steps)

1. ACQUIRE ALL BUILDING HISTORY AND BACKUP INFORMATION

Visual condition assessments do not purely consist of looking for physical deficiencies. Information provided on drawings and in specifications can provide clues to potential defects, and project and maintenance history may provide information that indicates potential issues.

In addition, the following information should be obtained and organized if available.

- Drawings & Specifications
- Previous Project History
- Maintenance History

Any missing back-up information should be collected or viewed on site prior to starting a visual assessment.

2. REVIEW STRATEGIC ASSESSMENT INFORMATION FOR ACCURACY, COLLECT ADDITIONAL STRATEGIC INFORMATION, AND UPDATE STRATEGIC ASSESSMENT INFORMATION AS APPROPRIATE

Part of the visual assessment should include a review of the current strategic assessment information for accuracy. This will benefit future assessments and should reduce future strategic assessment costs. In addition, supplement or update strategic information in the following areas:

- Inventory
- Estimated Useful Life
- Remaining Useful Life (Age)

Any missing or inaccurate strategic information should be gathered and recorded.

Later in the process, information gathered in the tactical visual assessment should be used to update the strategic assessments.

Finally, review all available strategic information on a building-by-building basis to determine if a tactical assessment is required.

3. PERFORM VISUAL CONDITION ASSESSMENT (LOOK FOR DEFICIENCIES)

Once the back-up information has been collected and reviewed and basic facility information has been checked for accuracy, perform a visual assessment of the facility. Gather information to update the strategic assessments and obtain any information that is missing from the strategic assessment. This should include modifying remaining useful life values to more-accurately reflect physical conditions so that the strategic assessment values do not rely purely on age.

4. FROM DEFICIENCIES, IDENTIFY REPAIR/RENEWAL PROJECTS, PROVIDE SUFFICIENT INFORMATION TO DEVELOP PROJECT SCOPE

Based on observed conditions and deficiencies identified, identify repair or renewal projects. While the full scope of work need not be identified at this stage, it will be important to make sure that sufficient information is gathered and reported to allow a separate design professional to prepare future scope of work documents.

5. ESTABLISH PROJECT COSTING APPROACH AND GATHER COSTING INFORMATION

If available, historic replacement costs tend to be more reliable than costs calculated using RS Means or costs generated from unit rates. Therefore use historic costs before unit rate guides when identifying anticipated project costs.

If historic costs are available, update these to reflect current costs and use these to forecast project costs

If historic costs are not available, using a standard pricing guide to identify project costs. Ensure that the latest edition of RS Means is used each year to reflect current costs.

6. PROVIDE OPINION OF COSTS FOR IDENTIFIED PROJECTS

Identify repair or replacement costs for each defined project.

7. PRIORITIZE PROJECTS ACCORDING TO PRE-DEFINED STANDARDS

Using the prioritization standards, rank each project according to need using a standardized, parametric scoring system that reflects the mission, organizational and operational priorities of the OPDIV or HHS component.

8. CALCULATE PLANT REPLACEMENT VALUE USING STANDARD PRICING GUIDE

Using RS Means standard new construction rates (latest edition), calculate a replacement cost for each facility, using location and building type factors. In order to calculate this

value, assume that the existing facility will need to be completely replaced, starting from an open green-field site.

9. SUM TOTAL OF PROJECTS CREATED FROM OBSERVED DEFICIENCIES

For each year of the forecast, sum the capital expenditure for all the replacement projects identified in that year.

10. CALCULATE FCI

At the start of each year, for each building, identify which projects identified in tactical visual assessments are required in that year and calculate the total combined value of these projects.

Add to this value, the total combined value of all projects from all previous years that have been identified that have not been performed due to lack of funding. Adjust these values by inflation to reflect current costs (Note – costs for incomplete projects from earlier years need to adjusted more for inflation).

This resultant value is the total amount of deferred maintenance. Divide this value by the plant replacement value to provide the FCI metric. Since this is a time-dependent metric, it is only valid at the time it is created and will become out of date as soon as previous overdue projects are completed or new projects become are identified.

The FCI formula is:
(1 - ($ Deferred Maintenance / $ Plant Replacement Value)) x 100%

11. PREPARE CONDITION ASSESSMENT PROCESS DOCUMENTATION AND REPORT TO DEPARTMENT

Report the overall results for each facility to HHS and prepare a report describing the overall methodology that was used and if and how it varied from this requirements document.

12. REVIEW INDIVIDUAL OPDIV OR HHS COMPONENT RESULTS

HHS will review the FCI values and methodologies used and agree with the OPDIV or HHS Component if any process modifications are required.

13. SUMMARIZE MULTIPLE OPDIV OR HHS COMPONENT RESULTS
Overall results will be summarized by HHS and reported to OMB.

Attachment 7 - Operations and Maintenance Cost Methodology

I. Purpose

The purpose of this measure is to identify uniform procedures for each OPDIV or other HHS component to follow in reporting total operating and maintenance costs on a by building basis.

II. Applicability

This performance measure applies to all HHS-owned buildings. The operating and maintenance cost measure is made up of four component costs:

A. Recurring maintenance and repair costs.
B. Utilities (includes central plant operation and purchase of energy).
C. Cleaning and/or janitorial costs (includes pest control, refuse collection and disposal to include recycling operations), and
D. Road/grounds costs (includes grounds maintenance, landscaping and snow and ice removal from roads, piers and airfields).

III. Responsibilities

1. Each OPDIV or other HHS component is responsible for the following to assure appropriate implementation:

   A. Each OPDIV or HHS component will begin testing for full implementation by Q1 FY06. Each OPDIV or HHS component will input the data on its operating and maintenance costs for FY 2005 for each building by January 1, 2006. Data for all subsequent fiscal years will be inputted by the following January 1.

   B. Each OPDIV or HHS component will utilize a computer system (with appropriate backup data) to report on the four operating and maintenance component costs at the building level.

IV. Procedures

1. The data in the computerized system will contain the following information, with costs for measured on a cost per gross square foot (GSF) basis.

Site	Building Number	Recurring Maintenance and Repair Costs	Utility Costs	Cleaning/Janitorial Cost	Roads and Grounds Costs	Total	Comments
Site xx	Building xx	$ xxxx	$ xxxx	$ xxxx	$ xxxx	$ xxxx	
Site xx	Building xx	$ xxxx	$ xxxx	$ xxxx	$ xxxx	$ xxxx	
Total Site xx		$ xxxx	$ xxxx	$ xxxx	$ xxxx	$ xxxx	

Currently, not all cost information is available at the building level. In that event, costs may be allocated using an algorithm. OPDIVs shall be able to describe the algorithm applied for each measure but need not include that explanation in the database. The algorithms used by NIH attached are for illustrative purposes. That algorithm uses weighting factors to allocate costs by building type for Recurring Maintenance and Repair, Utilities, and Cleaning/Janitorial costs. Roads and Grounds cost do not need to be weighted.

Where some of the operating and maintenance function are performed by contractors and the costs are not allocated at the building level, the OPDIVs should revise the contract format to capture actual costs at the building level when the requirement is re-solicited.

Explanations for measuring the four components of the operating and maintenance costs are described below.

1. Recurring Maintenance and Repair Costs ($/GSF):

   A. Includes the following building systems and/or components:

      a. HVAC systems to include building automation system.
      b. Electrical systems to include uninterruptible power systems, emergency power, and emergency generators.
      c. Plumbing systems to include restroom fixtures, domestic water, sanitary sewer, reverse osmosis, natural gas, and compressed air.
      d. Chilled water systems.
      e. Steam and condensate systems.
      f. Fire protection to include fire alarm systems, sprinkler systems, exit lights, fire stopping, cooking hoods, rated walls and rated doors.
      g. Architectural components to include flooring, doors with associated hardware, ceilings, painting, wall coverings,
      h. Refrigeration for cold rooms and DX systems.
      i. Card access systems to include readers, panels, and software.
      j. Medical gas systems.
      k. Nurse call systems.
      l. Building structure and components.
      m. Laboratory fume hood exhaust systems.
      n. Roofs, downspouts and gutters.
      o. Predictive maintenance monitoring equipment.
      p. Perimeter fencing and gates.
      q. Elevators, escalators and lifts.

   B. Includes labor and materials for the following services:

      a. Preventive or predictive maintenance procedures on building equipment and components.
      b. Service or trouble calls related to HVAC, electrical, plumbing, architectural components such as doors, floors, and windows, lighting, fire alarms, and any other component directly related to the safe operation of the building.
      c. Miscellaneous repairs less than $10,000.
      d. Facility management services.
      e. 24/7 emergency response (15 minutes).

f. Day to day operations function of routine checking of critical equipment or problem areas.
g. Maintaining an accurate building equipment inventory and accurate building drawings.
h. Operating support for program related upgrades or capital repairs to include shutdowns as well as providing basic information about the building and associated systems.
i. Associated support for all operations and maintenance services such as vehicles, vehicle maintenance, training, computer equipment, maintenance related software systems, office supplies, copiers, fax machines, phones, radios, IT support, and supervision.

C. Does not includes the following:

a. Facility condition assessments.
b. Loading dock management services.
c. Animal care cage wash equipment maintenance and repair.
d. Other miscellaneous program related equipment maintenance and repair.
e. Telecommunication systems maintenance and repair.
f. Portable equipment such as refrigerators, freezers, and laboratory equipment.

2. Utilities Costs ($/GSF):

A. Includes the following utility distribution systems and Central Utility Plant equipment:

a. Primary domestic water distribution system including fire hydrants.
b. Primary sanitary sewer distribution system.
c. Primary natural gas distribution system.
d. Primary compressed air distribution system
e. Primary chilled water distribution system.'
f. Primary steam and condensate return distribution system.
g. Primary electrical distribution system.
h. SCADA System.
i. Metering systems.
j. Central Utility Plant equipment to include boilers, chillers and air compressors.

B. Includes labor and materials for the following services:

a. Preventive or predictive maintenance procedures and repairs on all Central Utility Plant equipment.
b. Repair of all primary utility distribution systems.
c. Operation of Central Utility Plant.
d. Maintenance and repair of metering systems, and meter reading.
e. Purchase of all utilities to include electricity, natural gas, water/sanitary sewer, propane, and fuel oil.
f. Maintaining an accurate Central Utility Plant equipment inventory and accurate primary utility systems distribution drawings.
g. Operating support for program related upgrades or capital repairs to include shutdowns as well as providing basic information about primary utilities systems.

h. Associated support for all operations and maintenance services such as vehicles, vehicle maintenance, training, computer equipment, maintenance related software systems, office supplies, copiers, fax machines, phones, radios, IT support, and supervision.

3. Cleaning/Janitorial Costs ($/GSF):

A. Includes the labor and materials for the following services:

a. Custodial cleaning services to include offices, laboratories, restrooms, corridors, stairwells, building entrances, conference rooms, and break rooms.
b. Trash/Refuse collection.
c. Window washing.
d. Recycling operations.
e. Pest control operations.

B. Does not include the following:

a. Removal of hazardous waste.

4. Roads/Grounds Costs ($/GSF):

Roads and Grounds costs shall be allocated based on the GSF of a building. Because the size of campuses and the build-out per campus can vary substantially, the cost per acre can be included in the comment field if that helps to explain costs that might seem high as compared to a building located off campus or on a densely developed campus.

A Includes the following services:

a. Maintenance of landscaping to include grass cutting, tree trimming, shrub trimming, mulching, fertilizing, application of herbicides, shrub bed maintenance, flower planting, tree planting, shrub planting and removal of leaves.
b. Snow and ice removal from all roads, parking lots, sidewalks and building entrances.
c. Maintenance and repair of exterior and transportation signage and electronic control devices.
d. Maintenance and repair of roads, sidewalks, parking lots, bridges, pavement marking and street lights.
e. Removal of litter.
f. Street sweeping.
g. Parking garage cleaning, striping, lighting, and washing.

B. Does not include the following:

a. Any new construction of roads, sidewalks, or parking lots.
b. Purchase and maintenance of interior plants.
c. Setting up for special events held outdoors.
d. Work required to comply with changes in security color codes.

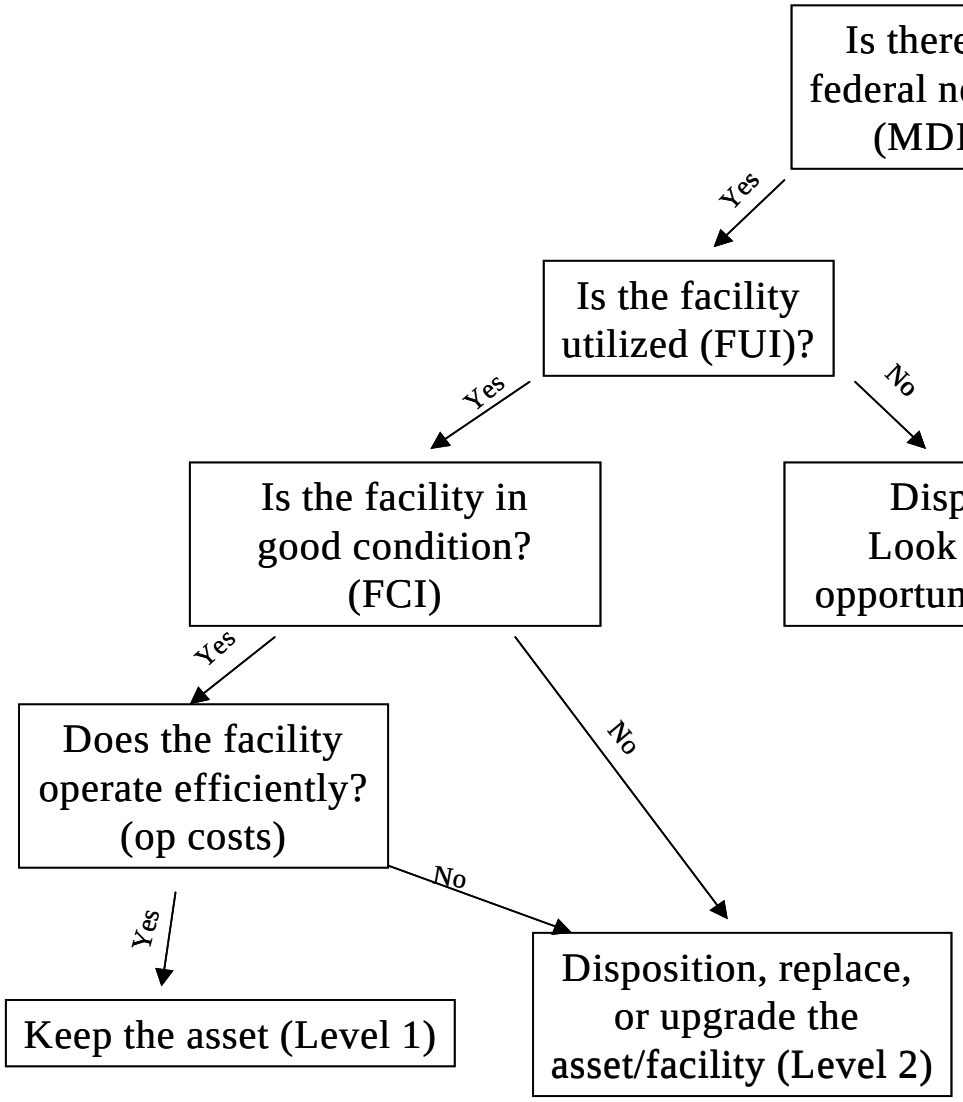
Attachment 8 – Tactical Real Property Plan

The Tactical Real Property Plan (TRPP) consists of the primary document with several appendices. The document is too large to include here in hard copy format (hundreds of pages). However it is available electronically on CDs included with official hard copies of the HHS RAMP. See the following files on CD -

Attachment 8: Tactical Real Property Plan, National_DCreport_final.pdf

Attachment 8a: Appendices to Tactical Real Property Plan.pdf

Attachment 9 – Disposal Decision Tree



MDI

Yes: Mission Critical or Mission Dependant
No: Not Mission Dependant or Mission Critical

FUI

Yes: Over-utilized or Utilized
No: Under-utilized or Not Utilized

FCI

Yes: FCI $\leq$ 0.1000
No: FCI > 0.1000

Op Costs

To be calculated for assets with square footage reported on a GSF basis and adjusted for location

Yes/No criteria to be determined based upon initial governmentwide results in FRPP-IA